

the Freeman

Ideas on Liberty

SEPTEMBER 1983



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VOL. 33, NO. 9 • SEPTEMBER 1983

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A MONTHLY JOURNAL OF IDEAS ON LIBERTY

FOUNDATION FOR ECONOMIC EDUCATION

Irvington-on-Hudson, N.Y. 10533

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Leonard E. Read, 1898–1983

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THE FREEMAN is published monthly by the Foundation for Economic Education, Inc., a nonpolitical, nonprofit, educational champion of private property, the free market, the profit and loss system, and limited government.

The costs of Foundation projects and services are met through donations. Total expenses average \$18.00 a year per person on the mailing list. Donations are invited in any amount. THE FREEMAN is available to any interested person in the United States for the asking. For foreign delivery, a donation is required sufficient to cover direct mailing cost of \$10.00 a year.

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THE FREEMAN is available on microfilm from University Microfilms International, 300 North Zeeb Road, Ann Arbor, Mich. 48106.

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The Dilemmas of Public Education

A great many issues have reached the level of public debate today concerning public education. They range from questions that plumb the philosophic depths to everyday problems of student discipline. They range, that is, from questions as to the origin of life and of plant and animal species on this planet to the question of whether teachers should be permitted to use corporal punishment in the classroom. There are those who believe that only the doctrine or theory of evolution should be taught in public schools. On the other hand, there are many equally convinced that an account of Divine Creation should be given at least equal time. Then, there is the question of whether or not prayer should be permitted (or perhaps encouraged or required) in the public schools.

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Indeed, there is a great variety of controverted and complex issues about such matters as sex education, the content of the curriculum, athletics, public policy about private schools, the right of parents to teach their children, homosexual teachers, the teaching of contemporary literature in which obscenities and profanities abound, the use of the schools as instruments of social reform, frills versus basics in education, the unionization of teachers, the compulsory bussing of children to achieve racial integration, the quality and character of textbooks, and so on and on.

It is not my intention here to take sides on these issues. Rather, it is my purpose, in the first place, to call attention to the fact that the issues exist, that they involve vexing questions, and that when they are pushed on one side or the other they tend to become dilemmas. In the second place—and this is my main point—they are dilemmas because they are being approached in the framework of public policy. They are dilemmas

of *public* education, i.e., of government supported and controlled education. The contentions arise from efforts to use government for differing ends, indeed, diametrically opposed ends, quite often. This may not be unusual in itself, but the differing positions on education are being pressed at a level at which no generally satisfactory resolution is possible. They are dilemmas.

A dilemma is a "situation requiring a choice between equally undesirable alternatives." Granted, at the level at which the debates have been conducted the issues do not appear to pose a question of choice between equally undesirable, or even unequally undersirable, alternatives. It appears that those who have taken sides would be quite pleased if their position could be made to prevail. Take the issue of prayer in the public schools. Presumably, those who favor them would be quite satisfied if the schools would have prayers, and those who oppose would be equally satisfied to have prayer prohibited.

That, however, is largely an illusion. Undoubtedly, there are many who would like to see prayer instated in the schools or classrooms. Beyond that, a considerable portion of these would like to see an attitude of piety toward God, toward human relations, and toward their studies prevail more generally among teachers and students in the schools.

Nor is there any good reason to doubt that there are others who would like to see prayer excluded from schools. Beyond that, there may be those who would like to see all pious, religious, or believing attitudes excluded from education, that the whole undertaking be carried on in a secular and skeptical framework.

No American Consensus

But I doubt very much that there is an American consensus for a political solution to this question. More important, those whose careers depend upon knowing such things, i.e., politicians, clearly do not believe that there is a consensus for political action on the prayer issue. The best evidence for this is that constitutional amendments on this issue have been hanging fire for 20 years now. None has ever mustered the two-thirds majorities necessary to get an amendment out of Congress and before state legislatures or conventions. So far as we may judge there is no consensus behind a constitutional amendment that would permit or authorize prayer in the public schools. But even if an amendment were adopted, it is not at all clear that the issue would be resolved.

The truth seems to be that there is no acceptable political solution available. There is the dilemma. A political solution involves the use of force. Probably, most of those on either side of the prayer issue would

be exceedingly reluctant to employ force to achieve the full measure of what they wish to see established. That is, most of those who want prayer in the schools would not wish to see teachers forced to lead prayers or preside over them.

Indeed, it is not at all clear how anyone could be forced to pray or what desirable end could be achieved by it. Such use of force would be contrary both to the nature of prayer and of education. On the other hand, surely those who oppose prayer in the schools do not envision sending SWAT teams or the National Guard to prevent small children from giving thanks by repeating: "God is great. God is good. Let us thank Him for our food." In short, it may well be equally undesirable to many Americans either that there should or should not be prayer in the public schools or that force should be directly applied to achieve either end. That is a true dilemma.

(Since some may suppose that the courts have settled the prayer issue by their rulings, some observations on that may be helpful. The Supreme Court has nullified state laws specifying prayer and Bible reading in public schools. Such laws were held to be in conflict with the First and Fourteenth Amendments to the Constitution. Other courts have made rulings on a variety of religion-related practices in the schools. Thus far, however, United States

Marshals have not been sent forth to interdict prayer in any particular school, and public prayers are still made in a goodly number of schools.)

Force Is the Issue

The dilemma, I am saying, is not in the issues; it arises from the prospect of the use of force. Ultimately, the dilemmas of public education arise from compulsory attendance and the financing of schools with tax money. It is these things that make the questions public issues. It is these things, too, that make any solution difficult, if not impossible, short of tyrannical measures. This is true not only for the prayer issue but for most of those that have come to the fore in recent years.

Even so, it may be of some help to see how the issues have come to the forefront. More specifically, I want to explore a little the setting in which the issues have arisen. It is not surprising, of course, that people should differ among themselves about what should be done or how to go about doing it. Each of us differs in some or in many respects from others. We differ in background, experience, temperamental make-up, tastes, preferences, abilities, goals, and intelligence, to name a few ways. From these individual differences arise differences of opinion. Nor is it difficult to surmise why we might differ with one another quite often about so sensitive and crucial a mat-

ter as the education of our children.

Fortunately, most of us do not usually set such store by each of our opinions that we are inclined to make a federal case, as the saying goes, about every difference. But on some matters within their hierarchy of values, many people feel strongly about their beliefs and principles. Some of these fall for many people in the arena of education; in some senses, all of them do.

Diverse Origins

Some of these differences might well assume some importance in any country, but the diversity of the population in the United States has increased both their number and importance. From the earliest English, French, and Spanish settlements, America was a land of immigrants. The diversity of the population has increased rather than diminished over the years. From the 18th through better than three quarters of the 20th century, peoples from virtually every land have come or been brought here, sometimes in small numbers and at others by the thousands and tens of thousands. At various times, they have come from Scotland, Ireland, Wales, France, Germany, Italy, Sweden, Norway, Poland, Bohemia, Russia, China, Japan, Transylvania, Serbia, Turkey, Iran, the Gold Coast of Africa, Mexico, Cuba, and so on and on. Virtually every culture, race, national-

ity, language, and ethnic grouping in the world is represented among those who have settled in America.

Of religious sects, denominations, and churches virtually every spectrum of belief is or has been present in America. There are Protestants, Catholics, and Jews, Buddhists, Moslems, and Shintoists. There is a wondrous variety of Protestant sects and denominations: Episcopalians, Methodists, Baptists, Presbyterians, Disciples, Congregationalists, Nazarenes, Evangelicals, Quakers, Unitarians, Christian Scientists, Jehovah's Witnesses, and many, many more. But no brief listing can begin to capture the diversity of religious belief or unbelief in America, for in addition to those who profess some religious belief, or belong to organizations which do, there are atheists, agnostics, skeptics, free-thinkers, Communists, communitarians, and a variety of groupings holding religious-like beliefs. All of these beliefs have greater or lesser import on beliefs and preferences about education.

While it would not be possible to exaggerate the differences among groups and individuals which have some bearing on what may be wanted by way of education, it may be possible to overstate the case for most communities. When we look at the United States as a whole, what we may see is a great hodgepodge of peoples, groups, and organizations

representing almost every spectrum of diversity.

By contrast, communities are often much more nearly homogenous than any description of the nation would suggest. For example, in many parts of the rural and small town South, there may be churches of several denominations, but the religious motif is apt to be Southern Baptist. In parts of New England, it may be Congregationalist; in Western Pennsylvania, Presbyterian; in Utah, Mormon; and so on. Even in cities where there may be the most diverse religious, ethnic, and racial differences, there are often fairly homogenous groupings of people in particular sections.

But whether a community was diverse or homogenous in its make-up, people tended to associate in their own particular churches, clubs, organizations, and what have you, to preserve their own ways within enclaves, as they chose, or to slough off many of their differences and fit into a more general American pattern. A great degree of harmony amidst wide diversities was generally possible in America by those who were different keeping their distance from one another, minimizing the extent of their involvements, or going along with the prevailing customs. *E pluribus unum* expresses a truth only if that in which Americans were one be limited and restricted to a small number of common interests.

Schools Provided by Communities and by Churches

For most of American history, schooling tended to mirror and reflect the diversity of America. Schools tended to be provided, when they were provided, by communities and churches. Historically, schooling in Western Civilization was allied with if not tied to religion. In the Middle Ages, Catholic churches generally provided such formal schooling as existed. Cathedrals had their own schools as a rule. Generally speaking, too, after the Protestant Reformation where there was an established church it had the oversight of all formal education, whether or not it provided the schooling. During the colonial period in America, the only experiments of any extent in compulsorily provided education were in New England. Otherwise, people were left free to provide such education in whatever form they would for their children.

Nor was there any great change in most regions after the American Revolution for the better part of a hundred years. Lands were sometimes set aside for schooling when the public domain was broken up for selling. But the initiative for providing schools was generally left to communities, towns, and churches, or whoever had an interest in it. Churches did sometimes support schools. Towns and communities often did so as well. The cost of schools

was often defrayed by tuition paid by parents, and it was sometimes supplemented by charitable contribution. Sunday schools were widely organized by churches in the 19th century, initially as a means to teach children the fundamentals of reading and writing. In any case, the providing of a school for a frontier and rural community was not usually especially expensive. The men of the community could get together and raise a building. A schoolmaster could be paid in much the same way as a minister for the church, if he were not one and the same person.

Local Control

But however the school was provided, it was generally done by some local community. The community controlled the school, so far as it was controlled, and those who were sufficiently pleased by what was offered could send their children to it as circumstances permitted. The diversity of the population of America was undoubtedly reflected in the schools from community to community and region to region, so far as there was any will to make it so, and people pretty much had such schools as they could or would.

Even after governments began to become involved and some tax support began generally to be provided, there was no great change for a good many years. The movement toward tax supported schooling and com-

pulsory attendance was largely made between the Civil War and World War I. Schools were generally still locally owned and controlled, however, and many high schools were still private or semi-private. (Some churches, notably the Roman Catholic and Lutheran, maintained schools for their communicants, where they were sufficiently concentrated for that.) Local boards made the basic decisions about education, levied charges, hired teachers, and, presumably, reflected community values. Even so, schooling became public education as compulsory attendance laws were passed, and tax support became widespread. The stage was being set for the dilemmas which we now face. Local boards made the transition much easier, but they may have only served to delay the surfacing of the dilemmas.

At any rate, the schools have been transformed in the 20th century. They have been very nearly nationalized and secularized as well as made more or less uniform. They have been transformed into instruments of or for social reform on a national scale. Control over the schools has been wrested from local communities and is now in the hands of state and national bureaucracies, legislatures, and the federal judiciary. Local boards may still make intermediate decisions, but they do so within a framework of guidelines and prescriptions that make them

mostly errand boys. It is this transformation that has brought the dilemmas of public education to the surface, given rise to strident demands, and provides the setting for the urgency of some accommodation or resolution.

The transformation has been effected mostly since World War II, but it was prepared and advanced for several decades before that.

Overcoming the Differences

It is tempting to speculate as to how anyone could conceive a national and uniform system of education that could encompass and accommodate the diversities of Americans, but it would be irrelevant to do so. No one ever has, and I dare say no one could. What was conceived, rather, was a system which its proponents hoped would act as a solvent upon the differences, obliterate them, if you will.

As I was preparing this article, I received a little leaflet entitled "The Internationalization of Accounting Curriculum." It contained this revealing sentence: "Education, in its essence, and by definition should result in the diminution of provincialism." On the contrary, I would say that education might either heighten or diminish provincialism, depending on its content and emphasis and the receptiveness or resistance of the ones being educated. But no matter. Most likely, the person who wrote

the sentence couldn't distinguish clearly between an essence and an apple, and he certainly did not bother to define education. What matters is that he was writing out of a vision of education that has become deeply ingrained over the past seventy-five years.

It is a vision of using the schools to transform man and society. The idea was advanced most vigorously and directly by the proponents of what was called Progressive Education, but it came to permeate the whole field of pedagogy, which has marched under the flag of "Education" for most of this century. John Dewey was the leader of Progressive Education, and its center was Teacher's College of Columbia University. Progressive educationists usually described the transformation they aimed at as making America democratic, or more democratic. By that description, however, they meant mainly equality. That is not to deny that they may have favored democratic methods, sometimes anyway, but rather to assert that their animating ideal was equality.

The thrust of this idea of equality was to remove all differences, to bring the high low and the low high, or, as George S. Counts, a Progressive, said, "the school should be regarded . . . as an agency for the abolition of all artificial social distinctions, . . ." (Quoted in John H. Snow and Paul W. Shafer, *The Turning of the Tides*

[New York: Long House, 1956], p. 30.) To Progressives, all distinctions were arbitrary, of course. As John Dewey pointed out, "Democratic abolition of fixed differences between 'higher' and 'lower' still has to make its way in philosophy." (John Dewey, *Problems of Men* [New York: Philosophical Library, 1946], p. 15.)

Professional Educators

In short, the Progressives did not conceive a philosophy of education which would embrace the diversity of America. Instead, they advanced a plan to use the schools as an instrument for removing, obliterating, or crushing the differences. Progressive Education eventually blended with or became the dominant influence in professional education, i.e., the teaching of teachers in pedagogy. There have been three main stages thus far in the movement to nationalize and make uniform the public school (indeed, so far as they could, all schools) in America.

The first was to give a dominant role in schooling to the faculties of education departments, schools, and colleges. This was done by requiring state certification of teachers, requiring education courses for certification, and by founding numerous normal schools, teacher's colleges, and education departments.

The second stage was to bring all public schools under the control of state departments of education. Cer-

tification was a major means to do this, but it would have been of little account without state leverage. This was achieved in most states by financing and the laying down of guidelines in order for schools to receive state money.

The third stage is the effort to nationalize education more directly. Federal aid to education was the opening wedge. There is, of course, now a cabinet level United States Department of Education, and the federal courts now wield great power over the schools.

In large—and to summarize thus far—there is a vast educationist establishment in America. It includes not only the federal, state, city, and county bureaucracies with their hierarchy of officials, but also thousands of educationists in colleges and universities, and hundreds of thousands of teachers in the public schools. This establishment exercises decisive influence over the public schools, and much influence and some controls over private schools. The establishment may not be a monolith, but it is certainly monolithic in tendency. If anything, it has become much more cohesive in recent decades by the widespread organization of teachers in national labor unions. The common thread which holds it together at the ideological level is educationism.

The thrust of this establishment has been to secularize, nationalize,

and make uniform the schools and schooling. This establishment has wrested the control over the schools from local communities and vested it in bureaucracies at ever greater remove from them. The ultimate power over the schools now rests in the Supreme Court of the United States, which is about as remote from popular control as it is possible to get.

Differences Aggravated

This, then, is the setting of the dilemmas of public education. The educationist establishment has not succeeded, not yet anyway, in wiping out the diversity in America. They are succeeding, rather, in exposing the dilemmas of public education. The differences and diversities have been exacerbated rather than obliterated, and lowest common denominator schooling has given rise to a rising tide of resentment to it. Some of these resentments are represented in contemporary debates on public issues. The educationist establishment would be in deep trouble if it had to answer only for the declining achievements of the pupils it serves, the disorders in the schools, and the low caliber of so much of the teaching. But the nationalization and secularization of education (or schooling) has brought dilemmas to the fore for which there are no solutions in public education.

There is a way out of this morass.

There is a way to restore schooling to local patrons, the control over education to parents, and freedom to learning. There is probably more than one way to go about attempting to do these things. President Reagan has stated his opinion that the control over education ought to be returned to local communities. He has also proposed that deductions for tuition to private schools be permitted on income tax schedules. Proposals for a voucher system to enable people to choose their schools and pay with tax money have gained some followers over the years. Whatever the merits of these and like proposals, they do not go to the heart of the problem, by my analysis.

The heart of the problem is compulsory attendance and tax-supported schooling. It is these things on which an educationist establishment has been built; they provide the levers for the control over schooling. So long as attendance is compulsory and schooling is tax-supported, the dilemmas will remain; the diversity of America and the differences among people will take care of that.

There is a way, however, to free education from the trammels of government control. It is the free market. It is to leave schooling to the market and education to those who are willing to seek it. It is the way to provide both for the inevitable differences between individuals and

the diversity of the population in America. I am aware, of course, that many people favor what they call public education, although it is becoming equally clear that a considerable portion of Americans are less than enthusiastic about the current product.

It is hardly surprising that public schools should be widely, even generally, accepted as desirable. Anything established as long as a hundred years is likely to be widely accepted. If public baths had been established in towns and communities as long as schools, they would no doubt have gained widespread acceptance. How would people bathe themselves, after all, if there were not public baths? Surely, the poor would have to go dirty!

Church and State

But perhaps I should choose an example closer to home, since most Americans have little familiarity with public baths. This example comes at least from our common historical background. As recently as the early 17th century, most Europeans apparently believed that an established church was essential to the unity and well-being of a country. (Indeed, the relics of established churches still survive in such countries as England and Sweden.) Moreover, many believed that the government should assist in compelling attendance at churches and that

the church should be tax-supported. Many people found it difficult to imagine how religion could survive without fullfledged support of the state.

There were still a goodly number of people who believed at the time of the writing of the United States Constitution that some sort of state support for churches was desirable, and several states still had an established, or government favored, church. There were others who believed even more confidently that religion should be freed from the toils of government, that people should be free to speak and act in accord with their own consciences, that it was folly to use force in such delicate and profound matters. They carried the field eventually.

Actually, there was no possibility of having an established church in the United States without arousing animosities that would wreck the union. Anglicans in South Carolina would hardly accept the Congregational church of New England. Quakers and Baptists would accept neither, and the great variety of denominations and churches in America made the establishment of any church a potentially divisive and explosive issue of the first order.

The happy decision reached by the Founders was to forbid Congress to establish any church or interfere with any that might exist in the states. The result was so generally satisfac-

tory that even those few states which had some sort of government support or preference for a particular denomination removed it. Nor did religion perceptibly decline and wither away in the United States without government support. On the contrary, religion flourished, churches abounded, and denominations proliferated. Religion, left to the market, so to speak, and to private giving and support satisfied both the desire for variety, which flows from individual differences, and the longing to share faith and beliefs with others. It would be difficult, if not impossible, to find a single American today who would favor a governmentally supported national church.

The case for freedom of education is hardly less substantial than that for freedom of religion. Indeed, for many today, they cannot have full freedom of religion without also having freedom of education. For many thoughtful persons, God substantiates all knowledge, and if He is not acknowledged, the foundation stone is missing from learning. Given the diversity of America, a national school establishment is no more appropriate than would be a nationally established church.

In one respect, at least, an established school is much more grotesquely unjust and intolerant than an established church. When compulsory attendance at church was required, adults as well as children

were required to attend. By contrast, we visit the compulsion only upon children, those among us who are the weakest, least able to resist, least able to fend for themselves, and who have no voice in political decisions. This system of compulsion permeates education, stifles curiosity, and turns what could be a wondrous adventure of the mind for those who have the aptitude and desire into almost insufferable boredom.

Compulsion has turned schooling into a "bad" rather than a good. The dilemmas of public education and the insuperable problems in so many contemporary schools are a direct consequence of the compulsion. I do not know what forms schooling might take if it were left to the market and voluntary giving, nor what great variety of ways people might find to become educated. I am certain that if people valued these things and were free to provide for themselves, they would do so. And, for me at least, it would be exciting to see what kind of changes would be made when those who would provide schooling and help to educate should turn their attention to serving customers rather than compelling attention. Only those who want to learn ever learn much worth knowing in any case. Rather than having dilemmas and national problems of education, we might have in their stead opportunities for teachers and learners unbounded by state compulsion. ☸

Until Shrimp Learn to Whistle



SOME THINGS are so self-evident that they really require no proof. They are simply a matter of looking around you in your daily life to see how things work and how people act.

For example, consider these questions, and answer them from your own experience and observation of life:

—A high wind has blown over all the garbage cans down a suburban street. Food wrappers, old newspapers, and assorted scraps are strewn all over the street, sidewalks and homeowners' front yards. The residents are more likely to: A) clean up the street and sidewalks only, or B) to clean up their own front yards only.

—A sewer pipe has clogged in a 10-story apartment house. The toi-

let and bath-water from the top nine stories is spilling out all over the floors of the apartments and public corridors of the first floor. The first-floor dwellers are more likely to get to work at once: A) cleaning up the public corridors, B) cleaning up their own apartments.

—A widget company tries an experiment. It puts half of its salesmen on a regular salary, so that they make the same amount of money weekly regardless of how many or how few widgets they sell, or indeed whether they sell any at all. The other half are told they will be paid 25 per cent of the sales price of every widget they sell. Who will sell the most widgets: A) the first group? or B) the second group?

These examples could be multiplied endlessly, covering every human activity in the nation, so that

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overall they reflect what is known as the national economy. In each case the choice is between A) acting in the interest of society as a whole, or B) acting in one's own interest.

You may note that A) and B) do not necessarily exclude each other. Once you have wiped up the dirty bath water off the floor of your own apartment you may well decide to help your neighbors clean up the corridors of their apartments. Or you may leave it to the janitor. After all, that is what he is paid for. You may decide to help only the neighbors you are friendly with, or who are crippled or aged. Or to help clean up the corridors because the janitor is away on vacation. Whatever you decide, they are *voluntary* decisions that you alone make and that nobody imposes on you.

Now, from what I have seen around me in the United States I think it is a safe bet that almost everybody will clean up his front yard before he thinks of getting to the public sidewalk, that he will mop up the mess in his own apartment before he gets around to the public corridors, and that he will sell a lot more widgets if he knows that every extra one he sells means extra money to support himself and his family.

Selfishness? Well, yes, in part. But in large part it is rather a matter of responsibility, of priorities. If you have a family to support that is your first duty. If you have a property it

is your responsibility to maintain it. It is not your obligation to be a garbage collector for the neighborhood unless you have contracted for the job.

I have lived in other countries, in South America and in Europe, and from what I saw there I think those people too would act the same way as they do in the United States.

My observations, therefore, lead me to the conclusion that it is a universal human trait to act in one's own self-interest. It is not, in my experience, a universal human trait to act spontaneously and consistently in the public interest.

Do you agree with me so far?

If you do, then it must also be self-evident to you at this point that private enterprise gives a much truer reflection of human nature than socialism or communism or any kind of collectivism does.

Acting in One's Own Interest

Private enterprise, private ownership, private action—they all require only one basic condition: that individual human beings will consistently and spontaneously act in their own self-interest.

Socialism, communism, public ownership, collectivist action, all require a quite different condition: that individuals will consistently and spontaneously act in the public interest.

Since we know from our own per-

sonal experience that people all around the world are not always likely to fulfill this basic requirement of their own accord, the consequence is inevitable and obvious: they must be *forced* to act in the public interest.

If they are not so forced, then socialism, communism or any other kind of collectivism *simply will not work*. By the very nature of their most basic assumption, these isms unavoidably lead to the use of force to make people do what they would not do spontaneously of their own accord. The use of force is imbedded in their very essence. The immediate result of such a system is the imposition of rules, regulations, requirements, quotas, work-norms, rations, inspectors, regulators, policemen and enforcers of all kinds. The end result is the Nazi concentration camp, the Soviet forced labor camp, the Vietnamese re-education camp, the Chinese collective farm and the Maoist "cultural revolution," and the Pol Pot genocide in Cambodia.

But the use of force achieves absolutely no advance toward the ideal of a happy, free and productive society that the collectivist "idealists" perhaps sincerely wish to achieve. Since it ignores the basic fact of human nature, the collectivist system merely sinks deeper and deeper into a police society where the carrot of incentive counts for less and less

while the stick of authority counts for more and more. The growing use of force merely makes the forced laborers even more recalcitrant, mutinous and uncooperative than they were to begin with (as the Communist authorities happen to be discovering right now in Poland).

Given these circumstances and this attitude, it is no accident that a privately owned American farm will outproduce a Soviet or Chinese state farm fifty- or a hundred-fold. The American farmer has the powerful incentive of self-interest inducing him to produce. The American farmer also has better equipment? Yes, but that, too, is a result of the private enterprise system. And even with the very best agricultural machinery, the Soviet state farm employee has no incentive even to keep up his machines. Combines and threshers rust out in the open fields, harvested grain rots rain-sodden out in the open. As there is no profit or benefit in it for the individual state farm employee, what does he care? Only the fear of punishment by the authorities will stimulate him to the extra effort that farming invariably requires at critical times of the year.

In Summation

If you have followed me so far, we are now agreed on this:

Firstly, the private enterprise system is based on a realistic appraisal of human nature, whereas

communism or socialism is based on an "idealistic" conception of what human nature *ought* to be. And when individuals like you and me do not live up to this "ideal" then the collectivist authorities have to use force on them to oblige them to conform to the "ideal" pattern.

Secondly, the private enterprise system is in its very essence a system of individual freedom, because by the very nature of things nobody has to be forced to act in his own self-interest. He does it naturally.

Thirdly, the private enterprise system is a more productive system, because everybody is motivated to produce more by the knowledge that his own efforts will have a direct, measurable effect on improving his own individual situation. In the collectivist system the individual is motivated mainly by fear of punishment, since he has no great hope of any measurable reward for his own individual efforts.

Since all our reasoning above is based on observed facts, it is pure realism. It takes the world as it is and builds on that as a secure founda-

tion. The collectivists start out with an "idea" of the world as they think it ought to be, and they try to force people to build castles in the air that soon turn out to be prisons and hells on earth.

But the collectivist "idealists" are obstinate in their error, and not even decades of experience have persuaded them that their argument is vitiated in its first premise, that it is quite literally baseless. As Soviet dictator Nikita Khrushchev put it so picturesquely: "Those who wait for the Soviet Union to abandon Communism will wait until shrimp learn to whistle."

Communists pride themselves on an "objective" interpretation of history. Those of us who have an objective view of human nature, as contrasted with their "idealistic" view of it, might well set Khrushchev's words back in his teeth: if you think your collectivist system is ever going to equal the private enterprise system in truth, freedom, or prosperity, comrade, you can wait until shrimp learn to whistle. ☸

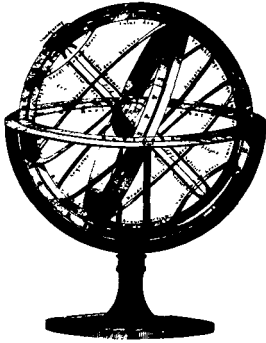
F.A. Harper

IDEAS ON



LIBERTY

THE terrific urge to prevent another person from making a "mistake" must be resisted if liberty is to be preserved. The "protective spirit" that leads a fond parent to prohibit his child from acquiring mature judgments, as he substitutes his own opinions for those of the child, leads the dictator to act as he does in "protecting" his political children.



FREEDOM AND UTOPIAS

"Each person should have dominion over his or her own life." Nothing seems more simple or more obvious. A may rule A's life but not B's; B may rule B's life but not A's.

Perhaps the single most tragic fact of human history, however, is that there are many people who want to rule not only their own lives but the lives of others. Some of these people write books in which they tell us how they would propose to rule the lives of others and force these others into conformity with their purposes. Such men are the authors of *utopias*.

Voluntary vs. Coercive Utopias

Some wish only to *persuade* us to live our lives in accordance with their ideals for us. They would have us voluntarily become members of their utopian societies. Some of them are leaders of religious sects, who urge us to adopt their way of life voluntarily, through conversion to their

beliefs; such were the pacifist Tolstoy colonies at the turn of the century. Others are secular, such as B.F. Skinner's *Walden Two*, and would have us join their commune so that we can all taste of the "better life" which they believe their utopia has to offer.

Voluntary utopias are relatively harmless; an individual can belong to one or not as he chooses, and can get out of it if it turns out not to be to his liking. It does not interfere with a person's freedom, as long as he is free to decide for himself. But the vast majority of utopias, such as Aldous Huxley's *Brave New World*,

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are *coercive*: a plan of life is laid out for everyone, and even if a person does not want any part of it, he must be forced to, "for his own good." The authors of such utopias would use the enormous coercive machinery of the law to make sure that others behave as the authors wish them to, against their will if necessary.

Why this "moral busybodyism"? Why do some people desire to plan the lives of others? Sometimes it originates in their own inadequacy and insecurity: they cannot manage their own lives, so they divert attention from their own inadequacies by managing the lives of others. Sometimes as children they were constantly required to do things against their will: having been constantly pushed around, they now want more than anything else to push other people around—never mind that the people they push around are not the same people who pushed *them* around. Often they simply believe that the great mass of people are stupid clods, incapable of governing their own lives, and that by telling others what to do they are doing them a favor; people are clay in need of a potter, so the utopian enters the scene as a savior, to save others from their own stupidity and ineptitude.

More often still, the authors of utopias are not as much convinced that others are stupid as that they themselves are persons of supreme intelligence, who have such a great

vision for the human race, and see so clearly what is good for others, that the others can't possibly have as great a vision for themselves. Moreover, they believe that this superior intelligence gives them the right to dictate what course the lives of others should take. When such people obtain high positions in government, or become the power behind the throne, they become the most destructive persons in history, masking their power-impulse with humanitarian slogans about the common good.

Contrasting Effects of Economic vs. Political Power

Power over other people's lives need not itself be evil; that depends on what kind of power it is and to what end it is wielded. A great teacher may have enormous influence over a student's life, but that power is wielded not by force but by the strength or credibility of the teacher's ideas, or the example set by his life. A parent has power over a child's life, for good or for ill, teaching the child morality and consideration and courtesy. A counselor or psychiatrist may exert power over a patient, so as to remove the obstacles to the patient's development and enable him better to make his own decisions and plan his own life.

Neither is purely economic power an evil. A man starts a business and hires employees; they are free to take

the position or remain as they were before. The employer has no power to force someone to take the job or arrest him if he refuses. Even in the early days of the Industrial Revolution, no one was forced to take jobs in the new factories; bad as conditions then were by present standards, many eagerly did so, because the income they were offered far exceeded what they received on the farms from which they came.¹ "Economic power is the capacity to influence other people's behavior by offering them something the acquisition of which they consider more desirable than the avoidance of the sacrifice they have to make for it. It means the invitation to enter into a bargain, an act of exchange. I will give you *a* if you give me *b*. There is no question of any compulsion nor of any threats. The buyer does not 'rule' the seller and the seller does not 'rule' the buyer."²

Political power, by contrast, is power backed by the institutional force of government—of police, armies, courts, and prisons. A government possesses the legal monopoly of physical force over a defined geographical area, and government operates always by force or threat of force against those who would disobey. If you are "kindly requested" to pay your income tax, and write back that you have thought it over and decided not to, you are instantly subject to apprehension, arrest, trial,

and punishment. Not all political power is evil—for example, laws protecting life and property and punishing murder and theft—but still there is no doubt that this is power in its most naked form, the power of the gun to suppress and punish those who would disobey.

The authors of most utopias, however, go much further than to suggest the use of force to protect life and property; they use the force of law to shape other people's lives in the direction that they dictate, usually involving the most minute details of life.

Some Historical Utopias

The first utopia described in Western philosophical literature is the *Republic* of Plato. Though benevolent compared with many utopias to follow, it already possessed the main feature of so many of them, of other people being merely pawns on the author's chessboard, for him to move about as he pleased. The aim of Plato's utopia was, as in so many others, a worthy one: to ensure justice in the nation by ensuring that the rulers themselves were just. The requirements for becoming such worthy rulers, however, were severe: all children were to be taken from their parents at an early age, lest the parents fail to recognize unusual talent in their children or do something to squelch that talent when it became evident; those who

through manifest talent became candidates for rulership were to be denied contact with large areas of experience, such as acquaintance with persons of questionable character, poems which attributed evil to the gods, and even music of all but the most ascetic kind. The rulers themselves were to possess wives and children in common, and no man was to know which child was his own. Once the gifted few were in a position of power, their rule over the people was absolute: no elections, no representation, no referendum, no appeal.

Plato's utopia was never put into practice as he propounded it. Many others, however, were put into practice without having been described in writing in advance. For many centuries the Incas of Peru had a rigorously stratified social structure with a highly repressive government. All land belonged to the State. Peasants were not allowed to leave their farms or villages without government permission. Family life was totally controlled by the State, including whether and whom one could marry. Criticism of the State was punishable by death or torture: the victim was hanged by his feet or thrown into a pit of poisonous snakes. People suspected of subversive activities were confined in underground caves containing jaguars, snakes, and scorpions. The individual's life was planned not by him but

for him by the ruling council of the Incas. But when everything is planned, one cannot develop the initiative required to cope with the unexpected. One unexpected event was the Spanish invasion. Fewer than two hundred of them conquered the entire vast Inca empire.

Under the ancient Chinese emperors (13th to 3rd century B.C.) everyone was forced to work full-time at ten years of age; at twenty he received a field to plow, and at sixty he returned it to the State and lived in dependency on the State. No private ownership of land was permitted. Large families were split up and grown sons were forbidden to live with their parents. Capital punishment was imposed for countless offenses such as minor thefts. The State had a monopoly on water, controlling the supply (sluices, dikes, irrigation canals), and the vital water could be cut off at any time. There was a wide network of State informers to spy on people and report their activities, with one family member often spying on another. Those suspected of crimes were often made into slaves, and conviction was followed by punishments such as decapitation, quartering, strangulation, being buried alive, or being boiled in a cauldron. The ancient Chinese emperor Ch'in Shih Huang was so admired by the modern Chinese dictator Mao Tse Tung that Mao tried to outdo him: "He buried only 460 Con-

fucians alive," Mao proclaimed. "But he has a long way to go to catch up with us. We have already buried 46,000 alive."³

A Common Pattern

Though widely separated in time and space, each of these coercive utopias exhibits a monotonously repetitive pattern, designed to stamp out individual differences and bring everyone under the total control of the State.

(1) There is almost always the total abolition of private property, because when a man owns his own property he has a certain degree of independence from the State, and this could not be tolerated.

(2) There is usually a condemnation of religion, because the State wants no competition for the allegiance of its citizens, and people are often inclined to serve God above Caesar.

(3) The family is viewed with suspicion, because parents can bring up children in a way that the State does not approve. Thus in many utopias children are taken away from their parents at an early age and brought up by officials of the State.

(4) Individuals of gifted intellect are also viewed with suspicion, since they think for themselves and may well challenge the sovereignty or even the legitimacy of the State. Burning of books is a recurring feature, because books can contain he-

retical ideas which may mislead the young. The first persons to be arrested and killed are often those who show any intellectual independence; if permitted to exist, they might infect others, so the State either kills them or condemns them to slave labor in remote regions. "The gifted are of no use," said Ch'in Shih Huang, "and the ungifted can do no harm. Therefore, the art of ruling well consists precisely in the ability of removing the clever and the gifted."

The Soviet Utopia

All of these features are abundantly present in the modern Soviet state. The stranglehold of the central government over the lives of every citizen; the omnipresence of secret police and anonymous informers; the prohibition of private property; the attempt to stamp out religion; the inordinate punishments for minor economic crimes (such as keeping a few sheaves of wheat for oneself on a state farm, a crime punishable by death)—all these are inherent features of the Soviet utopia. They have been dramatically set forth in horrifying detail in such books as Solzhenitsyn's *The Gulag Archipelago*, Robert Conquest's *The Great Terror*, and Anton Antonov-Ovseyenko's *The Time of Stalin*.

Solzhenitsyn's powerful novel *The First Circle* concerns the fate of a corps of engineers in a Soviet labor

camp. We get to know each of them, their lost ambitions, their wasted lives, their hopelessness in the face of a system that imposes 25-year sentences for having been reported as saying something anti-Soviet, or for nothing at all. In one passage one prisoner says to another, "They sent me to Vorkuta. All Vorkuta depends on prisoners, the whole Northland. It's the fulfillment of Thomas More's dream." "Whose dream?" asks another prisoner. "Thomas More," the first one replies, "the old fellow who wrote *Utopia*. He had the conscience to admit that society would always require various kinds of menial and hard labor. No one would be willing to perform them. Who should? More thought about it and found the solution: obviously there would be people in a socialist society who disobeyed the rules. They would get the menial and especially tough jobs. Yes, the labor camps were thought up by Thomas More; it's an old idea."⁴

But the socialist state also excels at concealment of its own tactics in order to preserve its moral image before the world. When at last the prisoners in *The First Circle* are en route to a death camp in the Arctic, Solzhenitsyn writes, "The time had long passed when lead-gray or black prison vans poked through the city streets, creating terror among the citizens. After the war, the idea of building black Marias exactly like grocery vans had been born in some

genius' mind, and they were painted the same orange and light blue with a sign letter on the side in four languages, reading either 'Meat' or 'Bread.'" A correspondent for a French newspaper, on the way to attend a hockey match in a Moscow stadium, sees the car which is carrying the doomed prisoners; on the side of the car is the label "Meat." Having seen several such cars that day, he writes for his newspaper: "On the streets of Moscow one often sees vans filled with foodstuffs, very neat and hygienically impeccable. One can only conclude that the provisioning of the capital is excellent."⁵

"Once you admit," wrote Hayek, "that the individual is merely a means to serve the ends of the higher entity called society or the nation, most of those features of totalitarian regimes which horrify us follow of necessity. From the collectivist standpoint, intolerance and brutal suppression of dissent, the complete disregard of the life and happiness of the individual, are essential and unavoidable consequences of this basic premise; and the collectivist can admit this and at the same time claim that his system is superior to one in which the 'selfish' interests of the individual are allowed to obstruct the full realization of the ends the community pursues."⁶

All socialism, as Herbert Spencer eloquently showed, is slavery. "What," he asked, "is essential to the

idea of a slave? We primarily think of him as one who is owned by another . . . [Now] suppose an owner dies, and his estate with its slaves comes into the hands of trustees; or suppose the estate and everything on it be bought by a company; is the condition of the slave any the better if the amount of his compulsory labor remains the same? Suppose that for a company we substitute the community; does it make any difference to the slave if the time he has to work for others is as great, and the time left for himself is as small, as before? The essential question is: how much is he compelled to labor for other benefit than his own, and how much can he labor for his own benefit? The degree of his slavery varies according to the ratio between that which he is forced to yield up and that which he is allowed to retain; and it matters not whether his master is a single person or a society.”

The Utopian's Alibi: Equality

What rationale, then, do the champions of socialism use as their main source of appeal? Usually they employ as their goal human equality, specifically equality of wealth, which of course requires an enormous state apparatus of enforcement to sustain. They attempt to evoke hatred, resentment, and envy on the part of those who have less, to be used against those who have

more; they consider the acquisition of wealth to be the worst of all evils, and their paramount duty to be the distribution of such wealth amongst the populace. They preach that wealth, no matter how acquired, is ill got, and that the principal duty of the State is to remove it from them. But of course once the wealth is taken from those who have created it, they will soon cease to create it, and the only equality that will finally remain is equality of nothingness—splendidly equalized destitution. Most socialist utopians know this, but they do not mind the mass of humanity being in poverty; such persons are so busy scratching for bread that they are easier to control.

In fact socialism only *pretends* to champion the poor; rather, it is a way of *controlling* the poor through the enormous bureaucratic equalizing process. Socialism is a scam: while officially favoring the poor, its real motive is *power*. Love of power, not love of humanity, is the real motivation behind socialist utopias. The humanitarianism is only window-dressing. Socialist utopians have always been quite indifferent to the sufferings of those whose cause they profess to embrace. “It would be a good thing,” Engels wrote to Marx, “to have a bad harvest next year, and then the real fun will begin . . . Only two or three very bad years would help.” And Marx in turn wrote, “Our fatherland presents an ex-

tremely pitiful sight. Without being battered from the outside, nothing can be done with these dogs."⁸

In the struggle of socialists to gain political power, the alleviation of suffering is always set aside until the victory of the socialist ideal. "All attempts to improve life at the present time are condemned as possibly postponing the coming victory. *Today's* victims of oppression will have no share in the future just society."⁹ Moreover, "That waiting has no end. The unborn profiteers of that wholesale sacrificial slaughter will never be born. The sacrificial animals will merely breed new hordes of sacrificial animals, while the unfocused eyes of a collectivized brain will stare on, undeterred, and speak of his vision of service to mankind, mixing interchangeably the corpses of the present with the ghosts of the future, but seeing no *men*."¹⁰

The Humanitarian and the Terrorist

And thus there comes about a secret, if unacknowledged, alliance between the professional philanthropist and the political terrorist. "If the primary objective of the philanthropist," wrote Isabel Paterson in the most remarkable book on political philosophy written in the twentieth century, *The God of the Machine*, "is to help others, his ultimate good requires that others shall be in want. His happiness is the obverse of their misery. If he wishes to help

'humanity,' the whole of humanity must be in need. . . .

"What kind of world does the humanitarian contemplate as affording him full scope? It could only be a world filled with breadlines and hospitals, in which nobody retained the natural power of a human being to help himself or to resist having things done to him. And that is precisely the world that the humanitarian arranges when he gets his way. When a humanitarian wishes to see to it that everyone has a quart of milk, it is evident that he hasn't got the milk, and can not produce it himself, or why should he be merely wishing? Further, if he did not have a sufficient quantity of milk to bestow a quart on everyone, as long as his proposed beneficiaries can and do produce milk for themselves, they would say no, thank you. Then how is the humanitarian to contrive that he shall have all the milk to distribute, and that everyone else shall be in want of milk?

"There is only one way, and that is by the use of the *political power in its fullest extension*. Hence the humanitarian feels the utmost gratification when he visits or hears of a country in which everyone is restricted to ration cards. Where subsistence is doled out, the desideratum has been achieved, of general want and a superior power to 'relieve' it. The humanitarian in theory is the terrorist in action."¹¹

When Walter Lini, currently premier of Vanuatu (formerly New Hebrides), assumed power after the colonial rule of the French and British, one of his alleged aims was to relieve from poverty all the inhabitants of the islands now under his rule. But what was his self-proclaimed model government for the realization of these aims? It was not the United States, nor even Great Britain; it was Tanzania.

Government Planning in the United States

During the first century and a half of its existence the government of the United States did not attempt to plan the daily lives of Americans; on the whole it left each individual to carry out his or her own plans. Lawbreakers of course were punished, but the scope of these laws was far less all-encompassing than it is today.

The principal break in this "laissez faire" policy took place under Roosevelt's New Deal. For the first time, and inexorably increasing with the years, government set out to plan countless details of the lives of virtually everyone engaged in a trade or profession. Few people today remember how it all began, and how strongly it was at first resisted. Today, for example, farmers take government subsidies for granted, and federal controls over their crop-acreage; but in 1933 this attitude had not yet become prevalent. Rose Wil-

der Lane gives a dramatic description of the coercive measures (and inducements) undertaken in the early days of the New Deal:

The farmers did not want A.A.A. or any other federal interference. In Kansas I met a rabble-rousing New Dealer from Washington who took me to a farmers' meeting where he spoke with real conviction and eloquence. The audience listened absolutely noncommittal, until he worked up to an incandescent peroration: "We went down there to Washington and got you all a Ford. Now we're going to get you a Cadillac!" The temperature suddenly fell below freezing; the silent antagonism was colder than zero. That ended the speech; the whole audience rose and went out. The orator later said to me, "Those damned numbskulls! the only thing to use on them is a club!"

Some time later, in a hotel lobby in Branson, Missouri, I met a young man almost in tears, totally woebegone and despairing. He had spent seventy days in Stone County, working day and night, he said, house to house, up hill and down, over those horrible roads; he'd gone to every house, he'd used every persuasion he could think of, talked himself hoarse, and he had not got even *one* man to take a \$2,500 loan from the government; and those wretched people needed everything—why, their children were barefoot, some of them lived in *log cabins*—could I believe it? They *needed* to be rehabilitated, I had no idea what rural slums they lived in; and here he offered them a loan from the government; amortized, twenty-five years to pay it, more time if they wanted it; he offered them horses, and tools, and even a car, any-

thing almost and they just wouldn't take it. They didn't talk or act like such fools either. He couldn't understand it. He *had* to get some of them to take government help or he'd lose his government job. What was wrong with them? could I tell him? could I help him?

In southern Illinois there was a Terror. The government men went into that county and took no nonsense; they condemned the land—every farm; offered the owners \$7 an acre, or nothing; this was a model project, tearing down houses, building new roads, surveying a Community Center all blueprinted. The people were frantic and furious; they hired lawyers who told them they could do nothing; they tried to get the facts printed. No newspaper dared do it. The county was listed as rural slums, the land as eroded. When I asked to be shown erosion, the answer was, it was sheet-erosion. That is, the constant effect of rainfall on all earth. There was not an eroded ditch in the county. Every farm was well cared for, every house in repair, painted, cared for—simple frame houses, a few without electricity or plumbing, but many with both . . . None of them wanted to be rehabilitated. None of them would speak to me until I proved that I did not come from the government; luckily I had that proof, by chance . . . And these are the people who were reported in government publications as demanding subsidies.¹²

Worthy Aims, Harmful Consequences

And so the planning-the-lives-of-others cancer spread. It was not only the farms; every business enterprise, every industry and corpora-

tion, was soon affected. Thousands of hours of company time were required to compile facts and figures and perform utterly useless paperwork for the government—thus adding to the price of every product, though the public did not appreciate this fact. Government came to make decisions for people which formerly they had been free to make for themselves.

Always it was done behind the mask of some noble purpose. Occupational Safety and Health (OSHA) was enacted, ostensibly to promote safety in factories. The act has done nothing for factory safety (the record of American factories in this regard was already excellent), but it has done much to extend the tentacles of government over the lives of everyone engaged in productive endeavor. Safety was the bill of goods which was sold to Congress and the public, but the power of government over business was the consequence.¹³

Health care and hospitals became so regulated by government that they had little autonomy left; ostensibly it was for the purpose of improving treatment, but the aim was ultimate nationalization of all health care. Almost everyone is interested in preserving the environment, though the Environmental Protection Agency, to which this cause was entrusted, was primarily interested in preserving and expanding its own

power; it almost succeeded in destroying the Alaska Pipeline, even though the pipelines's existence in no way threatened the natural environment or the animal species.¹⁴ Almost everyone is interested in developing domestic sources of energy, although the Department of Energy almost destroyed all access to these sources,¹⁵ and the E.P.A. has kept almost all the vast oil and gas supplies in Alaska from being developed.¹⁶ As always, the health, welfare, and safety of American citizens has been the facade, and sometimes the actual intention of Congressmen, but the result has been the increase of the stranglehold of government over the freedom of individuals to act in accordance with their own judgment.

Regulatory Law

In each case, Congress created the regulatory organization, passing "enabling legislation" that permitted the agency to formulate its own rules, which then had the force of law. Over 90 percent of law in the United States is now regulatory law, laws never passed by Congress. And thus, with accretions of new regulatory laws (thousands of pages per month), a new "regulatory utopia" was created in the United States, inhibiting their initiative and placing a ball and chain on their productive endeavors. The bureaucrats in the regulatory agencies have the power

of life and death over every industry in America, and they are only too happy, as the vise tightens on their victims, to see another capitalist bite the dust—even though it is only from the profits made by these capitalists that the bureaucrats' wages are paid.

The tendency of all these agencies is to grow and expand, creating new rules which require larger enforcement apparatus, and always more and more power over the wealth-creators of America.¹⁷ Robert Hertzler, owner of the Sandia Die and Cartridge Company of Albuquerque for eighteen years, has never had an accident in his plant because, he says, "I have taken apart every machine in the place. I started this business with no help. I starved. I was shot at in Korea. The government has no right to come in here." He has developed a special patentable process which he claims the right to keep secret, but OSHA wants pictures of it all. "What about my constitutional rights?" he asked the OSHA inspector. "I don't give a damn about the Constitution," said [the inspector]; "you don't have any." "How do you figure that?" "You have no constitutional rights because you're in business, because you have employees, and because you have done business with the government."¹⁸ But when Hertzler refused him further access to his plant, the inspector said, "We'll get you with what we've already got."

Inhibiting the productivity of businesses, together with making people work from January to May of each year to pay for the government's "social service" programs, has already gone a considerable distance toward Sovietizing the American republic. Today the receipt of welfare checks and food stamps are taken for granted as a right, though the government can only supply these by taking the money out of the pockets of others: for everyone who gets something for nothing, someone else must get nothing for something. Apparently almost no one is any longer aware of this. But at one time it was quite apparent to many Americans.

"Not Yours to Give":

The Real Davy Crockett Story

When Colonel Davy Crockett (1786-1836) was a member of the House of Representatives, he voted for a bill to relieve the victims of a fire in Georgetown. While Crockett was campaigning for the next election, a backwoods farmer came to him and chastised him for his vote, with these words: "It is not the amount, Colonel, that I complain of; it is the principle. In the first place, the government ought to have in the Treasury no more than enough for its legitimate purposes. But that has nothing to do with the question. The power of collecting and disbursing money at pleasure is the most dan-

gerous power that can be entrusted to man, particularly under our system of collecting revenue by tariff, which reaches every man in the country, no matter how poor he may be, and the poorer he is the more he pays in proportion to his means. What is worse, it presses upon him without his knowledge where the weight centers, for there is not a man in the United States who can ever guess how much he pays to the government. So you see, that while you are contributing to relieve one, you are drawing it from thousands who are even worse off than he.

"If you had the right to give anything, the amount was simply a matter of discretion with you, and you had as much right to give \$20,000,000 as \$20,000. If you have the right to give to one, you have the right to give to all; and as the Constitution neither defines charity nor stipulates the amount, you are at liberty to give to any and everything which you may believe, or profess to believe, is a charity, and to any amount you may think proper. You will very easily perceive what a wide door this would open for fraud and corruption and favoritism, on the one hand, and for robbing the people on the other. No, Colonel, Congress has no right to give charity. Individual members may give as much of their own money as they please, but they have no right to touch a dollar of the public money for that purpose. . . .

"There are about 240 members of Congress. If they had shown their sympathy for the sufferers by contributing each one week's pay, it would have made over \$13,000. There are plenty of wealthy men in and around Washington who could have given \$20,000 without depriving themselves of even a luxury of life. The congressmen chose to keep their own money... The people about Washington no doubt applauded you for relieving them of the necessity of giving by giving what was *not yours to give*. The people have delegated to Congress, by the Constitution, the power to do certain things. To do these, it is authorized to collect and pay moneys, and for nothing else. Everything beyond this is a usurpation."¹⁹

The Utopia of Individual Liberty

If a utopia is defined as a plan for all of a society or nation, imposed by a few planners at the top, then there is no excuse for a utopia of any kind: it is simply a forcible interference by some person with the lives of all the rest. But if a utopia is defined simply as the mode of organization of a society, then the only utopia worthy of the name is a utopia of *individual freedom*, in which there is *no* general overall plan, but each person is free to plan his or her own life as long as he does not forcibly interfere with the plans of others for their own lives.

A person's own plan for his life may not always be the best, even for himself: he may not know what actions will lead to his own well-being, and his friends and family may even know this better than he does; he may misjudge the consequences of his actions, with disastrous results; he may be weak-willed and unable to carry out the plan for himself that he sees to be best; and in consequence he may end up much less happy than he would have been had he followed the advice of persons wiser than himself.²⁰ But at least the plan of life is *his*, freely chosen at every step of the way by himself. He is free to change it, free to profit by his own mistakes. The authors of coercive utopias do not grant him even that much. Such utopias make him only a sheep, with the government as his shepherd. Utopian thinkers wish to plan the lives and destinies of others, and the moral precept that should be impressed on them every hour of every day is: *The lives of others are not yours to dispose of*.²¹

When Frederic Bastiat (1801–1850) wrote his famous defenses of individual liberty, he had been surrounded on all hands by utopian slogans. Among the "heroes" of the French Revolution, Saint-Just had said, "It is for the lawgiver to will the good of mankind; it is for him to make men what he wants them to be." Robespierre had said, "The

function of government is to direct the physical and moral forces of the nation toward the ends for which it was founded." Billaud-Varenne had said, "A people to whom liberty is to be restored *must* be recreated. Since old prejudices *must* be destroyed, old customs changed, depraved inclinations corrected, superfluous wants restrained, inveterate vices eradicated, what is needed is strong action, a violent impulse." Lepeletier had said, "Considering the extent to which the human race has been degraded, I am convinced of the necessity of undertaking a complete regeneration—of creating a new people."²²

To all of these, Bastiat replied: "If the natural inclinations of mankind are so evil that its liberty must be taken away, how is it that the inclinations of the socialists are good? Are not the legislators and their agents part of the human race? Do they believe themselves molded from another clay than the rest of mankind? They say that society, left to itself, heads inevitably for destruction because its instincts are perverse. They demand the power to stop mankind from sliding down this fatal declivity and to impose a better direction on it. If, then, they have received from heaven intelligence and virtues that place them beyond and above mankind, let them show their credentials. They want to be *shepherds*, and they want us to be their

sheep. This arrangement presupposes in them a natural superiority, a claim that we have every right to require them to establish. . .

"I am not contesting their right to invent social orders, to disseminate their proposals, to advise their adoption, and to experiment with them on themselves, at their own expense and risk; but I do indeed contest their right to impose them on us by law, that is, by the use of the police force and public funds. . . What I demand of them is to grant us the right to judge their plans and not to join in them, directly or indirectly, if we find that they hurt our interests or are repugnant to our consciences. . .

"By what right, then, may the law intervene to make me submit to the social order planned by [others], rather than make these gentlemen submit to my plans? *Is it to be supposed that I have not received from Nature enough imagination to invent a utopia too?* Is it the role of the law to make a choice between so many idle fancies and to put the public police force at the service of one of them?"²³

Bastiat concluded with a parable: "A celebrated traveler arrived in the midst of a savage tribe. A child had just been born, and a crowd of diviners, sorcerers, and quacks armed with rings, hooks, and straps surrounded it. One said: 'This child will never smell the perfume of a pipe if I do not stretch his nostrils.' Another said:

'He will be deprived of the sense of hearing if I do not make his ears come down to his shoulders.' A third: 'He will not see the light of the sun if I do not give his eyes an oblique slant.' A fourth: 'He will never stand erect if I do not bend his legs.' A fifth: 'He will not be able to think if I do not flatten his skull.'

"'Stop!' cried the traveler. . . 'God has given organs to this frail creature; let the organs develop and be strengthened by exercises, trial and error, experience, and freedom.'"²⁴



—FOOTNOTES—

¹On the early history of capitalism, see Friedrich von Hayek (ed.), *Capitalism and the Historians* (University of Chicago Press, 1954), esp. pp. 15–17.

²Murray Rothbard, *Power and Market* (Institute for Humane Studies, 1970), p. 172.

³On the Inca empire, see Igor Shafarevich, *The Socialist Phenomenon* (Harper & Row, 1980), pp. 132–143; on the ancient Chinese, see pp. 168–189.

⁴Alexander Solzhenitsyn, *The First Circle* (Harper & Row, 1968), p. 267.

⁵*Ibid.*, pp. 672–3.

⁶Friedrich von Hayek, *The Road to Serfdom* (University of Chicago Press, 1944), p. 149.

⁷Herbert Spencer, *The Man versus the State* (Caldwell, Idaho: Caxton Printers, 1940), p. 122. (First published 1884).

⁸Quoted in Shafarevich, *op. cit.*, pp. 224–5.

⁹*Ibid.*, p. 221.

¹⁰Ayn Rand, "Collectivized Ethics," in *The Virtue of Selfishness* (New York: New American Library, 1964), p. 84.

¹¹Isabel Paterson, *The God of the Machine* (Caxton Printers, 1964; originally published by Putnams, 1943), pp. 253–4.

¹²Rose Wilder Lane, *The Lady and the Tycoon*, ed. Roger Lea MacBride (Caxton Printers), pp. 168–170.

¹³See Dan Smoot, *The Business End of Government* (Belmont, Mass.: Western Islands, 1973), esp. pp. 83–4. See also John Hospers, *Libertarianism*, Chapter 4.

¹⁴See Lindsey Williams, *The Energy Non-Crisis* (Wheatridge, Colorado: Worth Publishing Co., 1980).

¹⁵See C. V. Myers, *Money and Energy* (Darien, Conn.: Soundview Books, 1980); also the series of articles in *Mining Engineering* by Eugene Guccione, Sept. 1974 *et seq.*

¹⁶See Lindsey Williams, *op. cit.* also William Tucker, "Conservation in Deed," *Reason*, May 1983, pp. 34–39.

¹⁷See, for example, Robert G. Anderson, "The Assault on Capital," *The Freeman*, November 1979; Dan Smoot, *op. cit.*; and Carl Snyder, *Capitalism the Creator* (Macmillan, 1940).

¹⁸Alan Stang, "Oshtapo," *American Opinion*, October 1974, pp. 83, 87.

¹⁹*The Life of Colonel David Crockett*, ed. Edward S. Ellis (Philadelphia: Potter & Coates, 1884). Reprinted in Lawrence W. Reed and Dale M. Haywood, eds., *When We Are Free* (Midland, Michigan: Northwood Institute Press, 1981), p. 185.

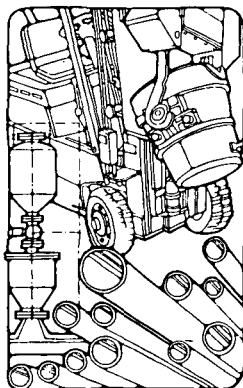
²⁰See John Stuart Mill, *On Liberty*, Chapter 3. On the circumstances in which one person may be justified in deciding on behalf of another, see John Hospers, "Libertarianism and Legal Paternalism," *Journal of Libertarian Studies*, summer 1981 issue; reprinted in Tibor Machan, ed., *The Libertarian Reader* (Rowman and Littlefield, 1982).

²¹Ayn Rand, "Collectivized Ethics," *op. cit.*, p. 85.

²²Quoted in Frederic Bastiat, *The Law*, one of the essays in Bastiat, *Selected Essays On Political Economy* (Van Nostrand, 1964), pp. 81–2. (*The Law* is available alone in an edition published by the Foundation for Economic Education, Irvington-on-Hudson, New York.)

²³Bastiat, *op. cit.*, pp. 88–9, 93.

²⁴*Ibid.*, p. 95.



THE RISING PROTECTIONIST TIDE

INTERNATIONAL trade imparts benefits to all countries that participate. The United States, for example, exports twenty per cent of its industrial production as well as forty per cent of its agricultural products. In fact, approximately fifteen per cent of total U.S. output is exported.

Foreign trade has been responsible for a substantial amount of domestic investment, and practically all Western schools of economics agree that free trade is the best course of action for all nations.

Yet, during the past few years, various countries, including the United States, have attempted to somehow shield themselves from foreign trade. Recently, an agreement was reached between the U.S. and the Japanese governments

whereby Japan will comply with so-called voluntary export restrictions in the sale of cars to America. Imported steel has been curtailed, and more restrictions on the importation of foreign textiles and apparel have been implemented. As *Time* recently pointed out:

Many Europeans now fear that the U.S. will impose trade barriers, such as those that already exist for automobiles and steel, on other products to protect American businesses. Pressure for protectionist measures has been mushrooming. A Florida manufacturer of machine tools has asked the White House to block investment tax credits on Japanese-made machinery. Chemical companies will be actively seeking additional shelter from foreign imports in the next session of Congress. Even uranium producers are invoking national security as an excuse to ban the purchase of uranium overseas.¹

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The range of world-wide restrictions varies, but they inexorably lead to a further reduction in foreign trade. Countries in Central America, for example, have adopted a policy of substituting imports, with the intention of industrializing their economies. Industrialized countries, on the other hand, have other policies which curtail the free flow of goods and services between countries. As an example of the restrictive policies in effect, a commentator recently pointed out:

Airlines in France, Italy and West Germany, for instance, keep U.S. carriers out of their reservation computers, preventing passengers from booking on American carriers, in, say, an Air France office in Paris. Australia forbids the screening of television ads produced abroad, and Canada has issued guidelines that encourage Canadian TV stations to use domestically produced commercials. West Germany requires German models in all advertising produced in the country.²

The international situation may perhaps degenerate into the present trade relationship between France and Hong Kong. Alarmed by the massive importation of electronic quartz watches manufactured in Hong Kong, France imposed a quota on their importation. Although the incident cannot vitally affect Hong Kong's economy, the watch manufacturers, in turn, have promoted a boycott of French cognac.³

Fostering Free Trade

The general world-wide trend since World War II has been to foster free foreign trade. The General Agreement on Tariffs and Trade (GATT) is a reflection of this trend, which has been successful in reducing barriers to trade between nations. At the present time, the average world tariffs amount to approximately 5 per cent of imports.⁴ Yet, partly as a result of this new trend favoring protectionist measures, world trade has been adversely affected. In fact, GATT figures indicate that "international trade levelled off in the middle of 1979 and has been flat ever since. Adjusted for inflation, trade volume actually went down in 1980 and 1981 and further falloff is predicted."⁵ In addition, a GATT conference held in the fall of 1982 failed to reach any significant lowering of trade barriers.

Although the trend seems to be in the direction of additional protectionist measures, an opposite movement is simultaneously taking place. A Federal relief program, entitled Trade Adjustment Assistance, which has granted aid to those unemployed as a result of foreign competition, is scheduled to be phased out this fall. This program is illustrative of the failure of interventionist policies that attempt to offset foreign trade.

Although the Trade Adjustment Assistance program has been in ef-

fect since 1962, its effects were negligible because of the application of strict guidelines in the granting of benefits. Essentially, a group of workers had to establish that they lost their jobs primarily because of an increase in imports. The increase in imports, on the other hand, had to be related to a so-called trade concession granted by the U.S. government. However, the Trade Act of 1974, which took effect in 1975, amended and substantially liberalized the provisions and interpretations of the program. Perhaps one of the most substantial amendments was that now imports need not be the most important reason causing unemployment. If imports contributed to the loss of jobs, it was not necessary that they be the principal cause. Consequently, the assistance program mushroomed. The number of workers certified as eligible increased from 62,000 in 1976 to 531,000 in 1980.⁶

Aiding the Victims of Foreign Trade

An avowed purpose of the Trade Adjustment Assistance program was to promote foreign trade while cushioning the immediate adverse effects of foreign trade upon domestic producers. The rationale has been that since everyone benefits from free foreign trade, those that do suffer from it ought to receive assistance. The realities of the program, on the

other hand, establish that the asserted goals were far from reached.

One of the immediate effects of this program was the creation of an artificial amount of temporary layoffs in different industries. As one commentator put it:

Troubled companies, for example those in the steel industry, would lay people off, allowing them to collect unemployment insurance plus TAA benefits for a while. Then the company would rehire them, at the same time laying off a new bunch.⁷

A General Accounting Office study confirms this view, inasmuch as 85 per cent of the beneficiaries of the TAA program were temporarily laid off.⁸

Yet, perhaps the leading beneficiaries of this assistance program have been labor unions, as the majority of the recipients were unionized employees. This should not be surprising since it is more likely that unionized firms have working conditions that tend to be less competitive than non-unionized firms. Consequently, other things being equal, unionized industries would tend to suffer from foreign competition.⁹ In effect, the assistance program has perpetuated inefficient producers. The evidence suggests that although funds were available to promote relocation and job searches, a small fraction of the recipients engaged in active search for alternative jobs. Of the 1,320,733 benefi-

aries who were receiving assistance within the April 3, 1975 and September 30, 1981 period, "only 5,133 or .39 per cent engaged in job search, as measured by the number of workers receiving job search allowances."¹⁰

Spending in this program has substantially decreased since September 30, 1981. The reason for this is that the Omnibus Budget Reconciliation Act of 1981 amended TAA and the standards required to establish eligibility in the program have been restricted. Spending, which in fiscal year 1981 was \$1.4 billion, decreased the following year to \$101.6 million. Unless Congress acts otherwise, the program will cease to be in effect as of September 30, 1983.

Essentially, the Trade Adjustment Assistance program was the politicians' effort to promote free international trade. As foreign competition undoubtedly affected some sectors of the economy, especially the heavily unionized ones, companies were forced to lay off employees. This is normally taken care of in the market order as resources are placed in more efficient areas of production. By withdrawing resources from the more efficient sectors of the economy into the less efficient areas, TAA only acted to increase inefficiency, to promote the production of more costly goods and to shield the labor unions from being publicly held responsible for raising the costs of production.

The clamor for protectionist measures, however, remains unabated.

Import Substitution

As alluded to before, Central American countries have taken another path which they feel will lead to industrialization. This is the policy known as import substitution, which is another form of protectionism. Essentially, the policy was aimed at promoting the local manufacture of imported goods so as to satisfy domestic demand. However, governments in those countries needed to erect high tariff walls in order to encourage the investment of capital in those industries. The effects of this policy soon began to emerge. Since locally manufactured goods were either more expensive or qualitatively less competitive in the world market, "... very little of the new industrial output could be exported. Instead of gaining independence from having to import consumer and intermediate goods, countries merely shifted imports to different kinds of products (inputs, raw materials and capital goods). They became far more dependent on imports due to the fact that in small economies, even simple production requires imported input. The inevitable result was the development of a far more severe balance of payment constraint, and business cycles far deeper than in open, competitive economies."¹¹

As those countries invested substantial amounts of capital in the emerging manufacturing sector, foreign currency had to be obtained in order to pay for the imported capital goods. Yet, the problem became insoluble as the goods that were manufactured internally could not find a ready market outside the domestic market. Foreign exchange was available through the exportation of the traditional basic commodities, but as capital was drained into the less efficient manufacturing entities, the growth of the exporting sector was limited. With less foreign exchange available, there was a smaller amount of capital available to meet the needs of the domestic markets. Thus, the drive to industrialize and seek development through the policy of import substitution has left those countries worse off than before.

The common denominator in all of these protectionist measures is a general misunderstanding of foreign trade. If foreign trade causes unemployment in one sector of the economy, the conventional response is to restrict the introduction of the foreign goods which created the unemployment. Yet, this reaction does not take into account the fact that although some workers may lose their jobs as a result of foreign competition, the domestic consumers will have more resources left at their disposal as a result of purchasing the

cheaper foreign goods. Thus, domestic consumers will adjust their behavior, and will spend or save the additional purchasing power brought about by the introduction of less costly foreign goods. Inevitably, jobs will be created in the economy as a result of this.

The Principle of Comparative Advantage Through Trade

The argument against foreign trade may be likened to the opposition to the introduction of machinery brought forth during the Industrial Revolution in England. The opponents set out to ban machinery, and in many instances destroyed the machines outright. This opposition was grounded on the belief that machines created unemployment, for it seemed that fewer employees were needed to produce goods because of automation. The historic evidence, however, has refuted these fears. Machines have increased employment beyond all expectations, because by lowering the cost of goods to the consumer, they helped increase demand for those goods.

Similarly, the principle of comparative advantage should be stressed again and again in order to illustrate the advantages of foreign trade. In order to understand this principle, it is important to grasp the fact that foreign trade is essentially like domestic trade. Specialization occurs within any trading area.

It is common to observe that some areas of a country are identified with a particular industry. In the United States, for example, Detroit is associated with the automobile industry, Pittsburgh with the steel industry, Hollywood with the film industry, Seattle with the aerospace industry, and Dallas with oil. This specialization may be traced to different reasons, but it should be understood that the natural forces of the market have created this situation. On the other hand, there is no immutable law that perpetuates specific economic specialization in a given geographical area. New England, for example, used to be the textile center in America. The market is always in a state of flux, and capital and labor tend to be attracted to the more efficient and hospitable areas.

Foreign trade permits, on an international scale, the specialization that often occurs within the confines of a local economy. Countries more efficient in the production of cars, textiles, wines, food or any other product will tend to export such goods because of their quality and lower cost to the consumer. Those same countries will have the incentive to import goods that may be acquired at a lower cost from outside sources.

Clearly an optimum utilization of resources is achieved and employment is maximized.

However, when a country raises tariffs or quotas or implements any protectionist policy, it only succeeds in misallocating resources, lowering world-wide production and raising the prices of goods to the consumers. Protectionist policies may succeed in preserving some jobs in specific industries, but only at the expense of the general welfare of the country. In order to stem the tide of protectionism, it is imperative that the facts about foreign trade be learned. Otherwise, more quotas and tariffs will be erected, to the detriment of all. ☉

—FOOTNOTES—

¹*Time* (November 9, 1982) p. 55.

²*Fortune International* (November 29, 1982), p. 54.

³*Fortune International* (February 7, 1982), p. 62.

⁴*Fortune International* (March 21, 1983), p. 79.

⁵*Fortune International* (November 29, 1982), p. 52.

⁶*Fortune International* (March 21, 1983), p. 79.

⁷*Ibid.*

⁸Vol. 2, *The Cato Journal* (1982), p. 884.

⁹*Ibid.*, p. 878.

¹⁰*Ibid.*, p. 888.

¹¹Vol. 12, *California Western International Law Journal* (1982), p. 470.



EDUCATION IN COLONIAL AMERICA

ONE of the main objections people have to getting government out of the education business and turning it over to the free market is that "it simply would not get the job done." This type of thinking is due, in large measure, to what one historian called "a parochialism in time," i.e., a limited view of an issue for lack of historical perspective. Having served the twelve-year sentence in government-controlled schools, most Americans view our present public school system as the measure of all things in education. Yet for two hundred years in American history, from the mid-1600s to the mid-1800s, public schools as we know them today were virtually non-existent, and the educational needs of America were met by the free market. In these two centuries, America produced several generations of highly skilled and literate men and women who laid

the foundation for a nation dedicated to the principles of freedom and self-government.

The private system of education in which our forefathers were educated included home, school, church, voluntary associations such as library companies and philosophical societies, circulating libraries, apprenticeships, and private study. It was a system supported primarily by those who bought the services of education, and by private benefactors. All was done without compulsion. Although there was a veneer of government involvement in some colonies, such as in Puritan Massachusetts, early American education was essentially based on the principle of voluntarism.²

Dr. Lawrence A. Cremin, distinguished scholar in the field of education, has said that during the colonial period the Bible was "the single most important cultural influence in the lives of Anglo-Americans."³

Thus, the cornerstone of early

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American education was the belief that "children are an heritage from the Lord."⁴ Parents believed that it was their responsibility to not only teach them how to make a living, but also how to live. As our forefathers searched their Bibles, they found that the function of government was to protect life and property.⁵ Education was not a responsibility of the civil government.

Education Began in the Home and the Fields

Education in early America began in the home at the mother's knee, and often ended in the cornfield or barn by the father's side. The task of teaching reading usually fell to the mother, and since paper was in short supply, she would trace the letters of the alphabet in the ashes and dust by the fireplace.⁶ The child learned the alphabet and then how to sound out words. Then a book was placed in the child's hands, usually the Bible. As many passages were familiar to him, having heard them at church or at family devotions, he would soon master the skill of reading. The Bible was supplemented by other good books such as *Pilgrim's Progress* by John Bunyan, *The New England Primer*, and Isaac Watt's *Divine Songs*. From volumes like these, our founding fathers and their generation learned the values that laid the foundation for free enterprise. In "Against Idleness and Mis-

chief," for example, they learned individual responsibility before God in the realm of work and learning.⁷

How doth the busy little bee
Improve each shining hour,
And gather honey all the day
From every opening flower.

How skillfully she builds her cell,
How neat she spreads the wax
And labours hard to store it well
With the sweet food she makes.

In works of labour, or of skill,
I would be busy too;
For Satan finds some mischief still
For idle hands to do.

In books, or work, or healthful play
Let my first years be passed;
That I may give for every day
Some good account at last.

Armed with love, common sense, and a nearby woodshed, colonial mothers often achieved more than our modern-day elementary schools with their federally-funded programs and education specialists. These colonial mothers used simple, time-tested methods of instruction mixed with plain, old-fashioned hard work. Children were not ruined by educational experiments developed in the ivory towers of academe. The introduction to a reading primer from the early 19th century testifies to the importance of home instruction.⁸ It says: "The author cannot but hope that this book will enable many a mother or aunt, or elder brother or

sister, or perhaps a beloved grandmother, by the family fireside, to go through in a pleasant and sure way with the art of preparing the child for his first school days."

Home education was so common in America that most children knew how to read before they entered school. As Ralph Walker has pointed out, "Children were often taught to read at home before they were subjected to the rigours of school. In middle-class families, where the mother would be expected to be literate, this was considered part of her duties."⁹

Without ever spending a dime of tax money, or without ever consulting a host of bureaucrats, psychologists, and specialists, children in early America learned the basic academic skills of reading, writing, and ciphering necessary for getting along in society. Even in Boston, the capital city of the colony in which the government had the greatest hand, children were taught to read at home. Samuel Eliot Morison, in his excellent study on education in colonial New England, says:¹⁰

Boston offers a curious problem. The grammar (Boston Latin) school was the only public school down to 1684, when a writing school was established; and it is probable that only children who already read were admitted to that. . . . they must have learned to read somehow, since there is no evidence of unusual illiteracy in the town. And a Boston bookseller's stock in

1700 includes no less than eleven dozen spellers and sixty-one dozen primers.

The answer to this supposed problem is simple. The books were bought by parents, and illiteracy was absent because parents taught their children how to read outside of a formal school setting. Coupled with the vocational skills children learned from their parents, home education met the demands of the free market. For many, formal schooling was simply unnecessary. The fine education they received at home and on the farm held them in good stead for the rest of their lives, and was supplemented with Bible reading and almanacs like Franklin's *Poor Richard's*.

Some of our forefathers desired more education than they could receive at home. Thus, grammar and secondary schools grew up all along the Atlantic seaboard, particularly near the centers of population, such as Boston and Philadelphia. In New England, many of these schools were started by colonial governments, but were supported and controlled by the local townspeople.

In the Middle Colonies there was even less government intervention. In Pennsylvania, a compulsory education law was passed in 1683, but it was never strictly enforced.¹¹ Nevertheless, many schools were set up simply as a response to consumer demand. Philadelphia, which by 1776 had become second only to London

as the chief city in the British Empire, had a school for every need and interest. Quakers, Philadelphia's first inhabitants, laid the foundation for an educational system that still thrives in America. Because of their emphasis on learning, an illiterate Quaker child was a contradiction in terms. Other religious groups set up schools in the Middle Colonies. The Scottish Presbyterians, the Moravians, the Lutherans, and Anglicans all had their own schools. In addition to these church-related schools, private schoolmasters, entrepreneurs in their own right, established hundreds of schools.

Historical records, which are by no means complete, reveal that over one hundred and twenty-five private schoolmasters advertised their services in Philadelphia newspapers between 1740 and 1776. Instruction was offered in Latin, Greek, mathematics, surveying, navigation, accounting, bookkeeping, science, English, and contemporary foreign languages.¹² Incompetent and inefficient teachers were soon eliminated, since they were not subsidized by the State or protected by a guild or union. Teachers who satisfied their customers by providing good services prospered. One schoolmaster, Andrew Porter, a mathematics teacher, had over one hundred students enrolled in 1776. The fees the students paid enabled him to provide for a family of seven.¹³

In the Philadelphia Area

Philadelphia also had many fine evening schools. In 1767, there were at least sixteen evening schools, catering mostly to the needs of Philadelphia's hard-working German population. For the most part, the curriculum of these schools was confined to the teaching of English and vocations.¹⁴ There were also schools for women, blacks, and the poor. Anthony Benezet, a leader in colonial educational thought, pioneered in the education for women and Negroes. The provision of education for the poor was a favorite Quaker philanthropy. As one historian has pointed out, "the poor, both Quaker and non-Quaker, were allowed to attend without paying fees."¹⁵

In the countryside around Philadelphia, German immigrants maintained many of their own schools. By 1776, at least sixteen schools were being conducted by the Mennonites in Eastern Pennsylvania. Christopher Dock, who made several notable contributions to the science of pedagogy, taught in one of these schools for many years. Eastern Pennsylvanians, as well as New Jerseyans and Marylanders, sometimes sent their children to Philadelphia to further their education, where there were several boarding schools, both for girls and boys.

In the Southern colonies, government had, for all practical purposes, no hand at all in education. In Vir-

ginia, education was considered to be no business of the State. The educational needs of the young in the South were taken care of in "old-field" schools. "Old-field" schools were buildings erected in abandoned fields that were too full of rocks or too overcultivated for farm use. It was in such a school that George Washington received his early education. The Southern Colonies' educational needs were also taken care of by using private tutors, or by sending their sons north or across the Atlantic to the mother country.

Colonial Colleges

A college education is something that very few of our forefathers wanted or needed. As a matter of fact, most of them were unimpressed by degrees or a university accent. They judged men by their character and by their experience. Moreover, many of our founding fathers, such as George Washington, Patrick Henry, and Ben Franklin, did quite well without a college education. Yet for those who so desired it, usually young men aspiring to enter the ministry, university training was available. Unlike England, where the government had given Cambridge and Oxford a monopoly on the granting of degrees,¹⁶ there were nine colleges from which to choose.

Although some of the colonial colleges were started by colonial governments, it would be misleading to

think of them as statist institutions in the modern sense.¹⁷ Once chartered, the colleges were neither funded nor supported by the State. Harvard was established with a grant from the Massachusetts General Court, yet voluntary contributions took over to keep the institution alive. John Harvard left the college a legacy of 800 pounds and his library of 400 books. "College corn," donated by the people of the Bay Colony, maintained the young scholars for many years.¹⁸ Provision was also made for poor students, as Harvard developed one of the first work-study programs.¹⁹ And when Harvard sought to build a new building in 1674, donations were solicited from the people of Massachusetts. Despite the delays caused by King Philip's War, the hall was completed in 1677 at almost no cost to the taxpayer.²⁰

New Jersey was the only colony that had two colleges, the College of New Jersey (Princeton) and Queens (Rutgers). The Log College, the predecessor of Princeton, was founded when Nathaniel Irwin left one thousand dollars to William Tennant to found a seminary.²¹ Queens grew out of a small class held by the Dutch revivalist, John Frelinghuysen.²² Despite occasional hard times, neither college bowed to civil government for financial assistance. As Frederick Rudolph has observed, "neither the college at Princeton nor

its later rival at New Brunswick ever received any financial support from the state. . . ."²³ Indeed, John Witherspoon, Princeton's sixth president, was apparently proud of the fact that his institution was independent of government control. In an advertisement addressed to the British settlers in the West Indies, Witherspoon wrote:²⁴ "The College of New Jersey is altogether independent. It hath received no favor from Government but the charter, by the particular friendship of a person now deceased."

Based on the principle of freedom, Princeton under Witherspoon produced some of America's most "animated Sons of Liberty." Many of Princeton's graduates, standing firmly in the Whig tradition of limited government, helped lay the legal and constitutional foundations for our Republic. James Madison, the Father of the Constitution, was a Princeton graduate.

Libraries

In addition to formal schooling in elementary and secondary schools, colleges, and universities, early America had many other institutions that made it possible for people to either get an education or supplement their previous training. Conceivably, an individual who never attended school could receive an excellent education by using libraries, building and consulting his own li-

brary, and by joining a society for mutual improvement. In colonial America, all of these were possible.

Consumer demand brought into existence a large number of libraries. Unlike anything in the Old Country, where libraries were open only to scholars, churchmen, or government officials, these libraries were rarely supported by government funds. In Europe, church libraries were supported by tax money as well, for they were a part of an established church. In America, church libraries, like the churches themselves, were supported primarily by voluntarism.

The first non-private, non-church libraries in America were maintained by membership fees, called subscriptions or shares, and by gifts of books and money from private benefactors interested in education. The most famous of these libraries was Franklin and Logan's Library Company in Philadelphia, which set the pattern and provided much of the inspiration for libraries throughout the colonies.²⁵ The membership fee for these subscription libraries varied from twenty or thirty pounds to as little as fifteen shillings a year. The Association Library, a library formed by a group of Quaker artisans, cost twenty shillings to join.²⁶

Soon libraries became the objects of private philanthropy, and it became possible for even the poorest citizens to borrow books. Sometimes

the membership fee was completely waived for an individual if he showed intellectual promise and character.²⁷

Entrepreneurs, seeing an opportunity to make a profit from colonial Americans' desire for self-improvement, provided new services and innovative ways to sell or rent printed matter. One new business that developed was that of the circulating library. In 1767, Lewis Nicola established one of the first such businesses in the City of Brotherly Love. The library was open daily, and customers, by depositing five pounds and paying three dollars a year, could withdraw one book at a time. Nicola apparently prospered, for two years later he moved his business to Society Hill, enlarged his library, and reduced his prices to compete with other circulating libraries.²⁸ Judging from the titles in these libraries,²⁹ colonial Americans could receive an excellent education completely outside of the schoolroom. For colonial Americans who believed in individual responsibility, self-government, and self-improvement, this was not an uncommon course of study. Most lawyers, for example, were self-educated.

Sermons as Educational Tools

The sermon was also an excellent educational experience for our colonial forefathers. Sunday morning was a time to hear the latest news

and see old friends and neighbors. But it was also an opportunity for many to sit under a man of God who had spent many hours preparing for a two, three, or even four hour sermon. Many a colonial pastor, such as Jonathan Edwards, spent eight to twelve hours daily studying, praying over, and researching his sermon. Unlike sermons on the frontier in the mid-19th century, colonial sermons were filled with the fruits of years of study. They were geared not only to the emotions and will, but also to the intellect.

As Daniel Boorstin has pointed out, the sermon was one of the chief literary forms in colonial America.³⁰ Realizing this, listeners followed sermons closely, took mental notes, and usually discussed the sermon with the family on Sunday afternoon. Anne Hutchinson's discussions, which later resulted in the Antinomian Controversy, were merely typical of thousands of discussions which took place in the homes of colonial America. Most discussions, however, were not as controversial as those which took place in the Hutchinson home.

Thus, without ever attending a college or seminary, a church-goer in colonial America could gain an intimate knowledge of Bible doctrine, church history, and classical literature. Questions raised by the sermon could be answered by the pastor or by the books in the church

libraries that were springing up all over America. Often a sermon was later published and listeners could review what they had heard on Sunday morning.

The first Sunday Schools also developed in this period. Unlike their modern-day counterparts, colonial Sunday Schools not only taught Bible but also the rudiments of reading and writing. These Sunday Schools often catered to the poorest members of society.

Modern historians have discounted the importance of the colonial church as an educational institution, citing the low percentage of colonial Americans on surviving church membership rolls. What these historians fail to realize, however, is that unlike most churches today, colonial churches took membership seriously. Requirements for becoming a church member were much higher in those days, and many people attended church without officially joining. Other sources indicate that church attendance was high in the colonial period. Thus, many of our forefathers partook not only of the spiritual blessing of their local churches, but the educational blessings as well.

Philosophical Societies

Another educational institution that developed in colonial America was the philosophical society. One of the most famous of these was

Franklin's Junto, where men would gather to read and discuss papers they had written on all sorts of topics and issues.³¹ Another society was called The Literary Republic. This society opened in the bookbindery of George Rineholt in 1764 in Philadelphia. Here, artisans, tradesmen, and common laborers met to discuss logic, jurisprudence, religion, science, and moral philosophy (economics).³²

Itinerant lecturers, not unlike the Greek philosophers of the Hellenistic period, rented halls and advertised their lectures in local papers. One such lecturer, Joseph Cunningham, offered a series of lectures on the "History and Laws of England" for a little over a pound.³³

By 1776, when America finally declared its independence, a tradition had been established and voluntarism in education was the rule. Our founding fathers, who had been educated in this tradition, did not think in terms of government-controlled education. Accordingly, when the delegates gathered in Philadelphia to write a Constitution for the new nation, education was considered to be outside the jurisdiction of the civil government, particularly the national government. Madison, in his notes on the Convention, recorded that there was some talk of giving the Federal legislature the power to establish a national university at the future capital. But the proposal was

easily defeated, for as Boorstin has pointed out, "the Founding Fathers supported the local institutions which had sprung up all over the country."³⁴ A principle had been established in America that was not to be deviated from until the mid-nineteenth century. Even as late as 1860, there were only 300 public schools, as compared to 6,000 private academies.³⁵

A Highly Literate Populace

The results of colonial America's free market system of education were impressive indeed. Almost no tax money was spent on education, yet education was available to almost anyone who wanted it, including the poor. No government subsidies were given, and inefficient institutions either improved or went out of business. Competition guaranteed that scarce educational resources would be allocated properly. The educational institutions that prospered produced a generation of articulate Americans who could grapple with the complex problems of self-government. *The Federalist Papers*, which are seldom read or understood today, even in our universities, were written for and read by the common man. Literacy rates were as high or higher than they are today.³⁶ A study conducted in 1800 by DuPont de Nemours revealed that only four in a thousand Americans were unable to read and write legi-

bly.³⁷ Various accounts from colonial America support these statistics. In 1772, Jacob Duche, the Chaplain of Congress, later turned Tory, wrote:³⁸

The poorest labourer upon the shore of Delaware thinks himself entitled to deliver his sentiments in matters of religion or politics with as much freedom as the gentleman or scholar. . . . Such is the prevailing taste for books of every kind, that almost every man is a reader; and by pronouncing sentence, right or wrong, upon the various publications that come in his way, puts himself upon a level, in point of knowledge, with their several authors.

Franklin, too, testified to the efficiency of the colonial educational system. According to Franklin, the North American libraries alone "have improved the general conversation of Americans, made the common tradesmen and farmers as intelligent as most gentlemen from other countries, and perhaps have contributed in some degree to the stand so generally made throughout the colonies in defense of their privileges."³⁹

The experience of colonial America clearly supports the idea that the market, if allowed to operate freely, could meet the educational needs of modern-day America. In the nineteenth century, the Duke of Wellington remarked that "the Battle of Waterloo was won on the playing fields of Eton and Cambridge." To

day, the battle between freedom and statism is being fought in America's schools. Those of us who believe in Constitutional government would do well to promote the principle of competition, pluralism, and government non-intervention in education. Years ago, Abraham Lincoln said, "The philosophy of the classroom will be the philosophy of the government in the next generation." ❁

—FOOTNOTES—

¹Bertrand Russell, quoted in: Tim Dowley, ed., *The History of Christianity* (Grand Rapids: Wm. B. Eerdmans Pub. Co., 1977), p. 2.

²Clarence B. Carson has emphasized this point in his *The American Tradition* (Irvington-on-Hudson: The Foundation for Economic Education, Inc., 1964).

³Lawrence A. Cremin, *American Education: The Colonial Experience, 1607–1789*. (New York: Evanston and London: Harper and Row, 1970), p. 40.

⁴Psalms 127:3.

⁵Romans 13.

⁶Elizabeth McEachern Wells, *Divine Songs by Isaac Watts* (Fairfax, Va.: Thoburn Press, 1975), p. ii.

⁷*Ibid.*, p. 42.

⁸Eric Sloane, *The Little Red Schoolhouse* (Garden City, New York: Doubleday and Company, Inc., 1972), p. 3.

⁹Ralph Walker, "Old Readers," in *Early American Life*, October, 1980, p. 54.

¹⁰Samuel Eliot Morison, *The Intellectual Life of New England* (Ithaca: Cornell University Press, 1965), pp. 71, 72.

¹¹Carson, p. 152.

¹²Louis B. Wright, *The Cultural Life of the American Colonies* (New York: Harper and Row Pub., Inc., 1957), p. 108.

¹³*Ibid.*

¹⁴Wright, p. 109.

¹⁵Carl and Jessica Bridenbaugh, *Rebels and Gentlemen* (New York: Oxford University Press, 1982), p. 36.

¹⁶*Ibid.*, p. 39.

¹⁷Frederick Rudolph, *The American College and University* (New York: Random House, A Vintage Book, 1962), pp. 15–16.

¹⁸Morison, p. 39.

¹⁹Morison, p. 37.

²⁰Morison, p. 39.

²¹Archibald Alexander, *The Log College* (London: Banner of Truth Trust, 1968, First Published, 1851), pp. 14–22.

²²William H.S. Demarest, *A History of Rutgers College, 1766–1924* (Princeton: Princeton University Press, 1924), p. 45.

²³Rudolph, p. 15.

²⁴John Witherspoon, "Address to the Inhabitants of Jamaica and Other West-India Islands, in Behalf of the College of New Jersey," *Essays upon Important Subjects*, Vol. III (Edinburgh, 1805), pp. 312–318, 328–330.

²⁵Max Farrand, ed., *The Autobiography of Benjamin Franklin* (Berkeley, California, 1949), p. 86.

²⁶Bridenbaugh, p. 87.

²⁷Bridenbaugh, p. 99.

²⁸Bridenbaugh, p. 91.

²⁹Wright, pp. 126–133.

³⁰Daniel Boorstin, *The Americans: The Colonial Experience* (New York: Random House, Vintage Books, 1958), pp. 10–14.

³¹This later became, of course, the American Philosophical Society.

³²Bridenbaugh, pp. 64–65.

³³Bridenbaugh, p. 65.

³⁴Boorstin, p. 183.

³⁵Richard C. Wade, et. al., *A History of the United States with Selected Readings*, Vol. I (Boston: Houghton Mifflin Co., 1966, 1971), p. 398.

³⁶Rousas John Rushdoony, *The Messianic Character of American Education* (Nutley, N.J.: The Craig Press, 1963, 1979), p. 330.

³⁷*Ibid.*

³⁸Bridenbaugh, p. 99.

³⁹Farrand, p. 86.

Make-Work Won't Work

MORE AND MORE the fate of public policy has been determined by the stampeding sacred cows. The mere mention of sacrosanct beneficiaries like the "poor," or "elderly," or "unemployed," is deemed sufficient to justify any policy, no matter how ill conceived. Objective analysis goes out the window whenever the announced *intent* of a government program is to feed a sacred cow.

The big spenders of Congress are rushing to bloat the federal deficit with "job creation" programs. Persons questioning this precipitous profligacy are characterized as heartless haters of the unemployed. With unemployment in double digits, how dare anyone delay the expenditure of funds to make work?

Tragic as an individual case of unemployment may be, sound policy cannot be made by this kind of dem-

agogic manipulation of our emotions. We need facts about the nature of the phenomenon, its magnitude, and its causes. Without these facts no real solutions to social problems can be devised. Instead, the creation of a "crisis" atmosphere will serve as another opportunity for those holding the power to exploit productive, taxpaying businesses and individuals.

To begin with, the concept of the "unemployed" is not well defined.

Implicit in the decision of an individual whether to accept a given job is the issue of compensation. If a person turns down a job because the pay is too low he is expressing a preference for leisure at that price. Is the economy failing because it does not provide a job at the desired wage? Or is the individual to be castigated for withholding his labor?

Defining unemployment is not merely an esoteric exercise. For example, high rates of unemployment among auto workers may have a lot

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to do with the comparative wage costs in auto production between Japan and America. If unemployed U.S. auto workers did not insist on wages 50 per cent higher than their Japanese counterparts, there would be more jobs available in American auto factories.

Rising Expectations

Whose fault is it that some workers cannot gain the amount of compensation they desire? It is quite a common circumstance for people to be paid less than they think they are worth. If taxpayers are to be required to make up the difference between desired wage and offered wage, the destruction of productive output will be the end result.

A partial explanation for the increasing incidence of withheld labor (or unemployment) is the rising level of expectations. Legislation attempting to dictate unreasonably high wage levels has had both a direct and an indirect effect on unemployment. Decreed minimum wage laws directly prevent individuals from accepting employment at wages that would be satisfactory. The indirect effect of these decreed wages is to create unreasonable prejudices and expectations among some individuals, causing them to disdain certain kinds of employment.

The availability of alternative sources of income also supports the willingness and ability to withhold

labor. The payment of unemployment compensation abets the preference for leisure among those eligible for benefits. Despite all the rhetoric about the impoverishment of the unemployed, Department of Labor statistics reveal that the average income of a family that includes at least one person drawing unemployment benefits is over \$19,000. This is not pre-unemployment income. It is post-unemployment income. That is, even with one family member unemployed, the family is still bringing in income in "livable" amounts. While averages do not tell the complete story, it is clear that the so-called unemployed are not universally suffering the extraordinary deprivation that some would have us believe.

Even with the family income figure of \$19,000, unemployment benefits are routinely denigrated as insufficient. First, the benefits are portrayed as inadequate to sustain life. Second, the idea that the provision of such inadequate benefits could actually deter someone from accepting a job is ridiculed. Despite claims of the inadequacy of unemployment benefits, research on the subject indicates that the availability of benefits does seem to affect the willingness and ability of individuals to withhold their labor from the market. In a paper presented to a "Conference on the Incentive Effects of Government Spending," Princeton

Professor Gary Solon disclosed that the taxation of benefits had the apparent effect of reducing the duration of unemployment by over 20 per cent.

The reference point one uses to observe the national unemployment situation can influence the interpretation of the phenomenon. On the one hand, reported unemployment hovers in the double digit range. This is the worst it has been since World War II. On the other hand, 57 per cent of the adults in America have jobs. This is virtually unchanged from 15 years ago when the reported rate of unemployment was less than 4 per cent (the reputed "full" employment rate). The long term problem has not been a decline in the number of job opportunities. Rather, the problem has been that the growth of job opportunities has not kept pace with the increase in the number of persons desiring employment.

To some extent the divergence of the supply and demand for labor has been created by government intervention in the economy to fix the prices of labor above the market-clearing prices. The establishment of minimum wage laws was discussed earlier. In addition to this meddling on the lower end of the wage scale, government has raised the price of labor at the upper ends of the wage scale as well.

For blue collar occupations, governmental intervention has sanc-

tioned the use of coercion and threats of violence as a means of extorting higher wages for union members. Intimidation of would-be labor competition is a "normal" part of the government-sanctioned collective bargaining process.

In the Professional Field, Entry Denied

For those in the professional field, the government at local, state and national levels has authorized various anticompetitive practices aimed at denying certain persons the opportunity to enter licensed or regulated professions. This has both a direct and an indirect impact on unemployment. Some individuals are directly excluded from pursuing a profession. Others, using the artificially high pay in the protected professions as a standard or reference are encouraged to withhold their labor because of unreasonably high wage expectations in general.

It should be obvious that the touted cures for unemployment being considered by Congress are totally inappropriate. Congress does not propose to deal with the issue of withheld labor. Congress does not propose to eliminate government programs that contribute to unemployment. Congress does not offer any encouragement for the economic growth that could supply many more job opportunities.

Instead, Congress pledges itself to

actions based on coercion that are sure to aggravate the problem. To keep foreign firms from "stealing" U.S. jobs, Congress is considering legislation to prevent consumers from exercising free choice in their purchases. Import restrictions and domestic content laws would deny consumers the right to freely select the products most suitable to their needs. Not only will consumer satisfaction be reduced, but both the purchasing power of the dollar and eventual output per unit of input will be lowered.

To assist U.S. firms in gaining markets abroad, Congress is warm to the idea of bribing foreigners to buy American made goods. The bribes come in the form of subsidies either to lower the price of the goods or to lower the cost of borrowing to purchase the goods. Though Secretary of State George Schultz concedes that such a policy is insane, we are, nevertheless, headed toward its widespread adoption. The fundamental outcome of this procedure is to sell our output for less than the cost of the input. This is the road to bankruptcy, not full employment.

To prevent foreigners from entering the U.S. and "taking away" American jobs, Congress is considering enacting repressive alien employment penalties. Under this policy, employers would be punished for hiring illegal aliens. Aside from making things tougher for all His-

panics seeking employment, the program would require an elaborate and ultimately expensive enforcement effort. All legal residents would be issued official working papers. Government agents would patrol places of employment checking documents. Courts would receive the added load of prosecutions for the victimless crime of hiring a person. Counterfeiting of official papers would provide another avenue of profit for organized crime. This prospective trampling of liberties will place a further drag on the economy, as taxes to support bureaucrats, judges, and prisons draw more resources from the productive sectors of the economy.

To stimulate the U.S. economy Congress proposes to expend prodigious sums on public works. Men are to be put to work building roads, dams, waterways, sewers, public buildings of every sort. Of course, there is no information on how valuable these presumed public assets might be. The public sector has no means of evaluating the return-on-investment from the construction of these types of facilities.

Malinvestment of Resources

In an abstract sense there may well be a need for roads, dams, and the like. Unfortunately, we do not know how much of these products is needed. It is possible, even likely, that many, if not most, of these pub-

lic works will return only pennies on each dollar expended. The probable consequence of a massive public works program is the malinvestment of scarce capital resources. Since it requires capital to sustain employment opportunities, the malinvestment of billions of capital will inexorably reduce future employment.

To alleviate the plight of displaced workers and the "hard core" unemployed, Congress is wont to enact job-training programs. On a theoretical basis, we'd be led to predict that this would be an inefficient means of preparing people for jobs. Bureaucracies lack the economic incentive structure to effectively provide appropriate training. The past experience of the government in this area bears out the theoretical prediction.

The Comprehensive Employment and Training Act (CETA) was notoriously ineffective in training the unemployed for work. A majority of the participants in CETA never obtained productive employment as a result of their job training. Government job-training programs are a waste of time and money. Human talent that might otherwise be constructively employed will be wasted in misguided and futile efforts. Money to fund this activity will be diverted from the productive sector. This will decrease employment and output in this sector.

Since the government is already operating in the red, any programs to combat unemployment will likely be financed with borrowed money. Government borrowing crowds out the private sector. Because the federal government has the sovereign power to seize wealth with which to pay its debts, it goes to the head of the line of borrowers.

In the financial world, creditors would prefer to make loans to the government, since it can seize resources, than to private firms which might go bankrupt if consumers don't buy their products. As a result, private firms must offer to pay higher interest rates to obtain funds. This raises the cost of capital for successful borrowers. Such firms will have less money available to expend on labor. Firms unable to pay the higher interest expense must cut back their plans for future output. Lower future output will mean fewer job opportunities. In either case, government borrowing will reduce private sector employment.

Higher Taxes Afford No Effective Solution

In order to avoid this crowding out of private borrowers, some members of Congress urge an increase in taxes. With more tax revenue the government wouldn't have to borrow as much, thereby lowering interest rates. While this may appeal to simplistic analysts, it is a ludicrous al-

ternative. A hike in taxes will still remove resources from the private sector. Faced with a higher tax burden, firms may resort to borrowing in order to finance their operations. Again, this will put upward pressure on interest rates. Firms not choosing to borrow resources to replace taxed capital will be forced to cut back their plans for future output. The results would be fundamentally the same as if the government borrowed the money.

At this point it is often suggested that a consumption tax, rather than an income tax, would solve the problem of draining private sector capital. How this magic is to be performed remains unexplained. Taxes on consumption will reduce consumption. Consumers will be able to purchase fewer units of output at a higher cost per unit. Firms will sell fewer units and experience lower revenues. The net result of this consumption tax will be lower private sector income. Thus, while not taxed directly, firms will still be forced to either borrow more money or cut back output.

Of course, the federal government has granted itself the authority to create money. Perhaps there will be neither increased borrowing nor taxing by the government. However, the creation of money does nothing to augment the quantity of real goods and services. The government will use this newly created

money to claim real resources without having to produce an equivalent real output. As long as the money creation process is unanticipated by the market, the effect of this policy is a transfer of resources from producers to the government. This will tend to have a negative effect on the overall output of the economy, as resources are shifted from more to less productive uses.

If the money creation process is anticipated, holders of existing stocks of money will insist on higher interest rates to compensate for the loss of purchasing power that results. This leads to higher costs for borrowers, with all the attendant reductions in output and employment. Another consequence of money creation is the destruction of the value of the dollar. This discourages the holding of liquid assets. Not only is there a precipitate rush to accumulate tangible assets like gold or silver, but commerce becomes more cumbersome as the monetary unit fluctuates in value. Time, effort and resources must be diverted to methods of forecasting currency depreciation and developing strategies to deal with it.

A by-product of the depreciation of the value of money is the erroneous overstatement of income that results in lifting firms and individuals into higher tax brackets. This increased tax burden diverts resources from the productive sector,

leading to lower output and employment.

It would appear that none of the schemes being contemplated by Congress affords any hope of improving the employment situation. All of the schemes rely upon the forcible transfer of resources from the productive environment of voluntary exchange to an environment of politically determined uses. This type of policy sends the wrong signals to human actors in the economy. Instead of devoting energies to production, individuals are encouraged to act defensively or predaciously. Can there be anyone who does not recognize the enormous drag that the necessity for defensive action places on an economy?

It is bad enough that international lawlessness leads to enormous weapons expenditures. However, we should not overlook the enormous devotion of resources to pay for lobbying to get or prevent legislation aimed at enlisting the government to seize resources that cannot be obtained by voluntary exchange. Armies of tax experts, lawyers, and influence peddlers represent a sad waste of talent and resources on nonproductive activities.

The magnitude of the loss suffered by the American people as a result of the government's pillage approach to economic policy is huge. The standard of living we enjoy to-

day is dependent upon the accumulation of capital over time. Policies that provide the incentive to create and accumulate capital improve the standard of living. Policies that provide the incentive to consume and destroy capital lower the standard of living.

Excessive Spending

Government programs to create jobs by seizing and spending more resources are precisely the wrong cure for unemployment. Government spending has been increasing at a faster rate than inflation. Since the 1975 recession, federal spending has risen 50 per cent faster than inflation. If government spending really stimulates the economy, shouldn't unemployment be getting lower? The fact that government spending has not had this effect points out the precarious predicament of the predatory society.

In contrast, even the slightest moderation of government rapacity would pay big dividends. For example, let us suppose that the rate of growth of government spending had been held to match the rate of inflation over some recent time period. What would have been the employment impact of such a policy? What if the government had responded to the 1975 recession by moderating its consumption of private sector resources in this fashion?

The cumulative effect of such a

policy could have been quite dramatic. The compound creation of capital invested at an average rate of return could have enabled our economy to accumulate over \$600 billion more resources than presently exists. This additional capital could support an additional 5½ million job opportunities. (See table below).

This estimate of the impact of the government's spending would seem

a modest portrayal of the total cost of government meddling in the economy. What if expenditures had actually been cut, rather than merely held constant? What if the morass of government red tape and regulation had been reduced? What if positive trends in these policy areas were to kindle a greater optimism among creative and productive people?

The Reagan Administration originally had some promising propos-

**Long Term Opportunity Cost of Excessive Federal
Expenditures**
(\$ in Billions)

Year	Federal Outlays ¹	Inflation Proof Budget ²	Excess ³	Cumulative Opportunity Cost ⁴	Cumulative Permanent Jobs Lost ⁵
1976	\$366	\$346	\$ 20	\$ 21	300,000
1977	403	368	35	60	900,000
1978	451	398	53	121	1,700,000
1979	494	440	54	188	2,400,000
1980	580	502	78	284	3,100,000
1981	663	551	112	424	4,200,000
1982	730	590	140	603	5,500,000

Notes:

- (1) Does not include off-budget expenditures.
- (2) Expenditures necessary to keep pace with inflation as measured by the Consumer Price Index.
- (3) Excess of federal outlays over and above what was necessary to keep pace with inflation.
- (4) Capital accumulation sacrificed to pay for excessive government spending. Assumes a 7% average annual return on investment—the after-tax, after-dividend reinvestment rate for the Dow Jones Industrials.
- (5) Estimated number jobs that could have been created if capital had been allowed to accumulate in the private sector instead of being taxed away to finance federal spending.

als. Red tape and regulation were to be reduced. Taxes were to be cut. Government spending was to come down. Some positive actions were taken. Oil prices were decontrolled. Phased income tax reductions were enacted.

Not much headway has been made, though. Early on, the Administration decided merely to slow the rate of growth in government spending. Despite much anguish and travail, the rate of growth in government spending still exceeds the rate of inflation. Real expenditures under the Reagan Administration are increasing at virtually the same pace as under the Carter Administration. Now, proposals for revenue enhancement abound. Make-work jobs bills are the order of the day.

What America needs is a simple program to promote economic

growth. The role of government in this program is to stop interfering with voluntary productive activity. Regulations like minimum wages should be removed. Sanction of coercive collective bargaining should be repealed. Restraints on trade should be abolished. Subsidies to the inefficient should cease. Grants of monopoly must be rescinded. Laws against victimless crimes in voluntary exchange between consenting adults must be dispensed with. Finally, the bloated budgets of government at all levels have to be trimmed.

Returning resources to the private, productive sector will do more to alleviate unemployment and poverty than any other policy available to government. The wealth and well-being of ourselves and future generations hang in the balance. ☸

Jobs for All

A free job market would provide "full employment" and greater production of the things men want most. Competition might drive down some dollar wage rates, but living standards would have to be higher. With more goods and services competing for every dollar, prices would be lower and everyone with a dollar would be entitled to a share of the increased production. Those now overpaid might temporarily suffer, but in the long run we would all be able to satisfy more of our wants.

With a free market in jobs, every man would be free to take the best offer available. Every employer would also be free to hire the applicants that pleased him most. No one would remain long unemployed. There would be jobs for all, more wealth produced, and a greater satisfaction of everyone's wants. What is more, the economic loss and dread of unemployment would evaporate.

IDEAS ON



LIBERTY

PERCY L. GREAVES, JR.

The World After Oil

THURMAN ARNOLD, the old Rooseveltian trust-buster, used to remark that the easiest way to make money was to enter a field that has been monopolized and give it some real competition. Something like this happened when the West, shocked by what the Organization of Petroleum Exporting Countries (OPEC) had done to give a fifteen-fold lift to energy prices, began to strike back. Bruce Nussbaum, an associate editor of *Business Week*, makes plain the dimensions of the West's revenge in a remarkable book called *The World After Oil: The Shifting Axis of Power and Wealth* (New York: Simon and Schuster, 319 pp., \$14.95). It is a story full of ironies, reminiscent in a way of what happened to Spain when gold from the Indies of-

fered the deceptive promise of an easy street forever and ever.

To be sure, the West did not rely wholly on direct energy competition with the Arabs of the Middle East. It did turn its attention to the discovery and exploitation of new oil fields (in Alaska, the North Sea and Mexico), and it did put a new emphasis on coal. Atomic energy was a disappointment in America, but the French began to make something of it, using it for the generation of 35 per cent of their electricity.

The biggest blow to the OPEC monopoly, however, came by way of an indirection that might have escaped Thurman Arnold's attention. What happened is that the entrepreneurial genius of the West, looking for profits that no longer could be had

from the old high-cost "smokestack industries" (steel, automobiles, heavy machinery), sought out "energy-sipping" businesses in the new area of high-tech. The age of the computer, able to base phenomenal accomplishments on smaller and cheaper silicon chips with a voluminous memory capacity, would have come eventually if the Arabs had never tried to create an energy monopoly. But what high-cost fuel and high-cost labor did was to force inventive enterprisers to do in five years what they might otherwise have strung out through twenty.

The new industries expected in the twenty-first century are already here. Computers, biotechnology, electronics, says Mr. Nussbaum, use only a fraction of the energy that the old industries consumed. Automated factories with robot-run assembly lines need only a small percentage of the energy to operate compared to yesterday's people-run Detroit plants. It is, says Nussbaum, a massive long-term trend that "will reverse itself only if oil returns to something approaching \$10 a barrel."

Looking Ahead

Mr. Nussbaum suspects that the future belongs to the United States and Japan, though there could be some surprises if it turns out that the Japanese can't create with the same facility that they imitate. The West Germans seem to be outdis-

tanced at the start simply because their whole tradition has pointed to predominance in the heavy "dinosaur" industries. Mechanical engineering and bulk chemicals do not make for "energy-sipping." The West Germans are avid for Siberian gas for the compelling reason that a nation of mechanical engineers cannot find the teachers to transform a whole educational system overnight.

Soviet Russia, according to Nussbaum, is in the worst fix of all the major powers, even though its nuclear missile facade is imposing. It desperately needs the income that will be supplied by the new Siberian gas line, for its oil revenues are declining along with OPEC's. With the military taking just about everything from the civilian sector, the Russian worker turns more and more to vodka for his solace. Life expectancy in Russia decreases, and agriculture fails to feed even those with shorter life spans. Tens of billions have to be spent on imported foods, and the masters of the Soviet military empire have to scrounge up \$30 billion in subsidies to keep Cubans and Poles and Angolans in line.

With an economy much larger than Japan's, the Soviet Union uses only a tiny percentage of microelectronics in its products, and most of this goes into military technology. What it has is either copied or stolen from the West. The copycat miniaturiza-

tion is enough to turn "dumb" missiles into "smart" ones, but there is little left over to diffuse electronic benefits throughout the civilian economy. And even with the most accomplished copying and KGB-engineered thievery the stuff the Soviets gave to the Syrians could not cope with what the Israelis did with American computerized equipment.

Third World Prospects

As for the Third World, Mr. Nussbaum thinks that only a half dozen countries will "be able to make it to the twenty-first century." The lucky ones will probably be "Brazil, South Korea, Taiwan, Hong Kong, Israel and Singapore." Raw materials aren't going to help a Third World country much. Copper, for example, is already being replaced by optic fibers, and when western technology begins mining the sea beds the profits will go to multinational corporations.

Mr. Nussbaum worries about "regional dislocation" in America. Silicon Valley is, as he says, a "Pacific basin" phenomenon. There could be a "dark side" to the future, particularly if Washington goes in for a protectionism designed to save the heavy industries of the Middle West. But if Congress takes wise measures, high-tech industries, "seeded" by rebuilt universities in the Northeast and Middle West, will begin to spread outside the Pacific basin. With

John Chamberlain's book reviews have been a regular feature of *The Freeman* since 1950. We are doubly grateful to John and to Henry Regnery for now making available John's autobiography, *A Life with the Printed Word*. Copies of this remarkable account of a man and his times—our times—are available at \$12.95 from The Foundation for Economic Education, Irvington-on-Hudson, New York 10533.

new robot factories putting sales people to work and reviving dependent jobs, Ohio and Michigan will again become prosperous.

What Nussbaum does not allow for is the possibility that desperate nations on the one hand, and desperate individuals on the other, may behave irrationally even to the point of giving in to the Samson complex and pulling down the temple. With Taiwan, South Korea and Singapore "making it" to the twenty-first century on their own, would Red China be willing to sit idly by? As for western individuals without jobs, the dangers of Luddite antipathy toward robots must be reckoned with politically. But no author can foresee every possible eventuality. Mr. Nussbaum has at least written a pioneering work. In doing this he has vindicated an old truth: monopolies are bound to fail. ®

FREE ENTERPRISE: A JUDEO-CHRISTIAN DEFENSE

by Harold Lindsell

(Tyndale House Publishers, Inc., 336 Gundersen Drive, Wheaton, Ill. 60187) 1982

180 pages ■ \$5.95 paper

SOCIAL JUSTICE AND THE CHRISTIAN CHURCH

by Ronald H. Nash

(Mott Media, Inc., 1000 E. Huron, Milford, MI 48042) 1983

175 pages ■ \$12.95 cloth

Reviewed by Buddy Matthews

THE movements known as Christian Socialism and the Social Gospel are more than a century old. The churchmen involved are critical of what they understand capitalism to be; some advocate socialism; all believe that government should intervene in the economy in order to assure "an equitable distribution of wealth." Contemporary "liberation theologians" embrace Marxism, and ecclesiastical agencies syphon funds into the coffers of revolutionaries. The man in the pew is turned off by such interpretations of the Gospel, and more and more theologians are coming to realize the affinity between their religious faith and the vision of a free people enjoying political liberty and the free economy. Two recent books lend support to this development.

Theologian Lindsell, editor for many years of *Christianity Today*, finds biblical support for the economic order popularly called free enterprise. His book is something of an economics primer, basic and informative. The book also examines Marxism and rejects the flimsy claim that this secular doctrine is compatible with Christianity or Judaism: "... Marxism and the Judeo-Christian faith are and ever must be antithetical."

Lindsell points out that the first principle of free enterprise is private property and this is established in God's moral law as expressed in the commandment "Thou shall not steal." Hence, any system which attempts to do away with private property, as does Marxism, violates a basic law in the code given to Moses. Lindsell examines the examples of free enterprise used by Jesus in some of his parables, and concludes that only in the free market can man practice the rights and liberty given him by his Creator.

This does not mean, however, that Lindsell gives a blanket sanction to everything people do in the name of free enterprise. "In general," he writes, "the law of supply and demand constitutes the working basis for selling and buying. There are some instances, however, when this law should be superseded by the law of love," which means Christian stewardship and the Good Samari-

tan ethic. Dr. Lindsell here adds an important point which is often missing in the writings of free market economists: the ethical position. He feels that free enterprise must unite with Jesus' teaching that you should "love your neighbor as yourself." It is not only socialist economics we are fighting but also socialist ethics and morality. "Free enterprise, in order to be free, rests on the pillars of trust and truth-telling. In this it stands in opposition to socialist ethics and morality."

Ronald Nash, a professor of philosophy and religion at Western Kentucky University, approaches the question somewhat differently; he seeks to answer some of the basic philosophical problems of a free social order. What is a liberal? What is a conservative? What is the State? What exactly is justice and how is it related to equality? His findings are often very enlightening. "The mainstream of contemporary American conservatism," he writes, "is understood best as a fusion of classical liberalism's concern for individual liberty and nineteenth century conservatism's concern with moral absolutes and social order." This implies a desire "to conserve the political convictions that gave birth to the U.S. Constitution . . ."

Dr. Nash's approach is reasoned and persuasive. He deals with the nature of capitalism and socialism, examining the rationale behind each

system. He cites all the major objections critics have raised against capitalism and then shows why these objections can not be rationally or morally sustained. Believing in the unity of all truth, he avoids using the Bible as a proof text—if free market principles can be shown to be true, then they will be consistent with the Bible.

Religion and capitalism, properly understood, are, in fact, allies. These two volumes join the increasing number of studies which demonstrate the connection. 

BENJAMIN FRANKLIN

by Ronald W. Clark
(Random House, 201 East 50th Street,
New York, NY 10022) 1983
530 pages ■ \$22.95

Reviewed by Robert M. Thornton

WHEN war broke out between the American colonies and Great Britain in 1775, Benjamin Franklin was sixty-nine years old and famous, not only in the colonies but in England and on the continent as well. The other outstanding Founding Fathers were relatively young and unknown: Washington was 43, John Adams 40 and Jefferson a mere 32.

Had not the colonies successfully gained their independence, the latter three may never have become famous.

But Franklin's fame does not depend on the American War for Independence, and Mr. Clark does a very good job explaining why. He devotes attention not only to Franklin's splendid efforts to bring about American independence, but to all the man accomplished in the sixty years from the time of his arrival in Philadelphia as a young man to his death in the same city at age 83.

Franklin was a remarkable combination of characteristics that might seem incompatible with each other. He was a sharp man in business, but a generous public benefactor. He was fascinated by scientific theories and sought practical uses for his discoveries. He was an avid reader and revelled in good company, especially that of attractive and intelligent women. He loved England and France but refused to compromise with either on the subject of American independence. He was ready to be the peacemaker, but when war came he never hedged at fighting it out to the bitter end. He practiced honest diplomacy for the most part, but if deception and intrigue were called for, he acted accordingly.

Franklin was an excellent printer, publisher and writer. His *Poor Richard's Almanac* was, for twenty-five years, an outlet for his homely

aphorisms and pungent articles. He helped found the first subscription library in this country, the first fire department, and the academy which became the University of Pennsylvania. Among other things he invented the Franklin stove, bi-focal glasses, and the lightning rod. His electrical experiments and discoveries put him in the top rank of those pursuing the subject in the mid-eighteenth century. He was the first scientist to identify the Gulf Stream. The list seems endless!

When relations between Great Britain and the American colonies deteriorated in the 1770s Franklin was not a firebrand revolutionary but hopeful that a break would not occur. He had lived in London for the better part of two decades and was deeply attached to the country. But when British policy forced a choice, Franklin took the side of his homeland.

Just what did Franklin contribute to the cause of American independence? Well, he was the superb diplomat—his reputation as a scientist, natural philosopher, writer and wit gave him a great advantage over other American representatives. We must remember that Europeans usually thought of American colonists as country bumpkins and primitives. They were astounded at Franklin who was as well-read and brilliant of mind as any in England or on the continent. He cleverly

played on this prejudice by affecting the homespun manner and appearance when it suited the occasion.

Just as in some societies courtship is a complicated affair, so it was in diplomacy in eighteenth century France. One had to know who to talk to—and when and how—to get anything done. The intricacies of a royal court were learned only by the patient man, not by those accustomed to being direct and straightforward.

John Adams, for all his brilliance and devotion to the cause of liberty, got nowhere in France. He lacked the patience to wine and dine and cultivate the right people. Franklin, on the other hand, knew how to woo and charm influential Frenchmen in order to accomplish his purpose—which was to get help from France for the American colonies in their fight for independence. Had he not

been successful the revolution might have been lost, or would have dragged out even longer than it did—from 1775 to the signing of the peace treaty in 1783.

Let's face it, the colonists may have had all the brave determination in the world. That is essential to achieving a great goal, but it also is necessary to have the means to do so. The colonists did not have the means to defeat the British or the money to obtain them. France supplied both men and equipment, and Franklin deserves the most credit for getting this aid. It required a shrewd man to play off France against England and vice versa, leaving the new nation free to pursue its own destiny without being at the mercy of either nation. George Washington may have been the indispensable man, but Ben Franklin ran a close second. ☉

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